GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2019 AND 2018

For the convenience of readers and for information purpose only, the auditors' audit 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' audit report and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS

PWCR19000392

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

Opinion

We have audited the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
11012 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 11012, Taiwan
T: +886 (2) 2729 6666, F:+ 886 (2) 2729 6686, www.pwc.tw

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Estimation of revenue recognition of online and mobile games revenue

Description

Refer to Note 4(29) for accounting policies on revenue recognition, Note 5(2) for the critical accounting estimates and assumptions and Note 6(26) for the details of accounting applied on revenue recognition.

Gamania Digital Entertainment Co., Ltd. (the "Company") is primarily engaged in providing online and mobile game services. The game players purchase game stored-value cards or value-added to play the game or exchange for virtual items. The Company recognises receipt of payments for game stored-value card purchases or value-added by players as "contract liability", and recognises revenue over the period of the service or the estimated delivery period of the virtual items when the game stored-value cards or value-added is used for the purchase of service or virtual items, respectively.

The estimation of the virtual items delivery period, which is the same as expected users' relationship period, is based on historical data on item consumption and item transfer by management. The Company has implemented processes and controls to develop and periodically review these estimates. The information of stored-value and value-added was collected by computer system. Given that the Company has many transaction of game revenue and the deferral of virtual items and the estimation of users' relationship period involve management's subjective judgment, we consider the estimation of recognition of online and mobile games revenue and contract liability as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Assessed and tested the relevant internal controls over revenue recognition for online and mobile games revenue.

B. Tested on a sample basis the consumption information generated from the Company's data collection systems and verified against the consumption report provided by the Company's accountant.

C. Tested on a sample basis the virtual items information generated from the Company's data collection systems and verified against the advance receipts as shown in the trial balance sheet provided by the Company's accountant.

D. Tested on a sample basis the expected users' relationship periods as reflected in the data collection systems, and compared with expected consumption based on the Company's accounting policy.

Impairment assessment of goodwill

Description

Refer to Notes 4(18) and (19) for accounting policies on goodwill impairment, Note 6(12) for details of goodwill, and Note 5 for the uncertainty of accounting estimates and assumptions in relation to goodwill. Goodwill arising from the merger of the Company with NOWnews Network Co., Ltd. and Digicentre Company Limited is material, to the financial statements and the projected future cash flows of the expected recoverable amount under the valuation model adopted in the impairment assessment of goodwill was estimated based on management's subjective judgement and expectation on the future operations. Thus, we consider the valuation of goodwill impairment a key audit matter.

How our audit addressed the matter

We performed the following audit procedures relative to the above key audit matter:

A. Assessed whether the valuation models adopted by the Group are reasonable for the industry, environment and the valued assets of the Group;

B. Confirmed whether the expected future cash flows adopted in the valuation model are in agreement with the budget provided by the cash-generating units;

C. Assessed the appointed external appraisers in conformity with the rules of qualification and independence, and evaluated the reasonableness of material assumptions, such as expected growth rates, operating profit margin and discount rates, by:

 (a) Reviewing the appraisal method and calculation formulas used by the independent appraisal expert.

 (b) Comparing the expected growth rate and operating profit margin with historical data;

 (c) Reviewing the discount rate, and comparing similar return on similar assets ratio in the market.

D. Compared the recoverable value and book value of each cash-generating unit in order to assess the reasonableness of the book value.

Other matter – Scope of the Audit

As described in Notes 4(3) and 6(8), we did not audit the financial statements of certain consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets of NT$2,125,556 thousand and NT$1,345,818 thousand, constituting 23% and 14% of consolidated total assets as of December 31, 2019 and 2018, respectively, and operating revenue was NT$2,186,630 thousand and NT$1,185,227 thousand, constituting 23% and 8% of consolidated total operating revenue for the years then ended, respectively. Those financial statements were audited by other auditors whose reports thereon were furnished to us and our opinion, insofar as it relates to the investments in these companies, is based solely on the reports of other auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with emphasis of matter and other matter section on the parent company only financial statements of Gamania Digital Entertainment Co., Ltd. as at and for the years ended December 31, 2019 and 2018.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and the International Financial Reporting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yi-Fan Lin

Lin, Yi-Fan

Penny Pan

Penny Pan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2020

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 audit report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,202,733	24	$ 2,796,729	29
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	200,150	2
1150	Notes receivable, net	6(3)	511	-	1,452	-
1170	Accounts receivable, net	6(3)	1,067,474	12	921,055	9
1180	Accounts receivable - related parties, net	7	6,702	-	51,704	1
1200	Other receivables	6(4)	370,354	4	401,614	4
1210	Other receivables - related parties	7	1,522	-	13,657	-
1220	Current income tax assets		26,070	-	6,057	-
130X	Inventory	6(5)	116,429	1	101,319	1
1410	Prepayments	6(6)	544,634	6	627,464	6
1470	Other current assets	8	194,296	2	179,563	2
11XX	**Total current assets**		4,530,725	49	5,300,764	54
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(7)	553,533	6	461,952	5
1550	Investments accounted for under equity method	6(8)	235,418	2	227,574	2
1600	Property, plant and equipment	6(9) and 8	2,857,123	31	2,896,310	29
1755	Right-of-use assets	6(10)	59,700	1	-	-
1780	Intangible assets	6(12)	842,551	9	737,468	8
1840	Deferred income tax assets	6(31)	111,269	1	142,103	1
1900	Other non-current assets	6(13) and 8	69,566	1	57,241	1
15XX	**Total non-current assets**		4,729,160	51	4,522,648	46
1XXX	**Total assets**		$ 9,259,885	100	$ 9,823,412	100

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(15)	$ 748,179	8	$ 139,613	1
2130	Current contract liabilities		335,054	4	452,619	5
2150	Notes payable		1,237	-	2,441	-
2170	Accounts payable		540,739	6	634,764	7
2180	Accounts payable - related parties	7	297	-	9,677	-
2200	Other payables	6(16)	1,578,028	17	1,772,141	18
2220	Other payables - related parties	7	98,678	1	157,915	1
2230	Current income tax liabilities		69,237	1	421,726	4
2280	Current lease liabilities	7	24,183	-	-	-
2300	Other current liabilities	6(17)	210,447	2	196,535	2
21XX	**Total current liabilities**		3,606,079	39	3,787,431	38
	Non-current liabilities					
2540	Long-term borrowings	6(19)	240,000	3	800,000	8
2570	Deferred income tax liabilities	6(31)	61,297	1	59,996	1
2580	Lease liabilities - non-current	7	35,668	-	-	-
2600	Other non-current liabilities	6(20)	19,448	-	17,255	-
25XX	**Total non-current liabilities**		356,413	4	877,251	9
2XXX	**Total liabilities**		3,962,492	43	4,664,682	47
	Equity attributable to owners of parent					
	Share capital					
3110	Share capital - common stock	6(22)	1,754,936	19	1,754,936	18
	Capital surplus	6(23)				
3200	Capital surplus		1,291,593	14	1,140,786	11
	Retained earnings	6(24)				
3310	Legal reserve		175,997	2	-	-
3320	Special reserve		199,195	2	-	-
3350	Unappropriated retained earnings		1,461,346	16	2,089,075	21
	Other equity interest	6(25)				
3400	Other equity interest		(171,976)	(2)	(199,195)	(1)
3500	Treasury stocks	6(22)	-	-	(64,623)	(1)
31XX	**Equity attributable to owners of the parent**		4,711,091	51	4,720,979	48
36XX	**Non-controlling interest**		586,302	6	437,751	5
3XXX	**Total equity**		5,297,393	57	5,158,730	53
	Significant contingent liabilities and unrecorded contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 9,259,885	100	$ 9,823,412	100

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

	Items	Notes	2019 AMOUNT	2019 %	2018 AMOUNT	2018 %
4000	**Operating revenue**	6(26) and 7	$ 9,681,345	100	$ 14,334,948	100
5000	**Operating costs**	6(30) and 7	(5,588,187)	(58)	(9,441,029)	(66)
5950	**Gross profit**		4,093,158	42	4,893,919	34
	Operating expenses	6(30) and 7				
6100	Selling expenses		(1,329,776)	(13)	(1,254,743)	(9)
6200	General and administrative expenses		(1,140,158)	(12)	(1,356,000)	(9)
6300	Research and development expenses		(362,686)	(4)	(236,656)	(2)
6450	Expected credit impairment loss	12(2)	(504)	-	(4,154)	-
6000	**Total operating expenses**		(2,833,124)	(29)	(2,851,553)	(20)
6900	**Operating income**		1,260,034	13	2,042,366	14
	Non-operating income and expenses					
7010	Other income	6(27) and 7	37,962	-	46,865	-
7020	Other gains and losses	6(28) and 7	(30,470)	-	156,142	1
7050	Finance costs	6(29) and 7	(18,528)	-	(25,456)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(8)	(70,591)	(1)	(62,308)	-
7000	**Total non-operating income and expenses**		(81,627)	(1)	115,243	1
7900	**Profit before income tax**		1,178,407	12	2,157,609	15
7950	Income tax expense	6(31)	(313,789)	(3)	(463,624)	(3)
8200	**Profit for the year**		$ 864,618	9	$ 1,693,985	12

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

			Years ended December 31,			
			2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial (loss) gain on defined benefit plan	6(20)	($ 2,247)	-	$ 223	-
8316	Unrealised profit (loss) on investment in equity instruments at fair value through other comprehensive income	6(7)	11,541	-	(58,776)	(1)
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss	6(25)	(636)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	449	-	(57)	-
8310	**Other comprehensive income (loss) that will not be reclassified to profit or loss**		9,107	-	(58,610)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(16,733)	-	2,326	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	6(25)	(185)	-	(12)	-
8360	**Other comprehensive (loss) income that will be reclassified to profit or loss**		(16,918)	-	2,314	-
8300	**Total other comprehensive loss for the year**		($ 7,811)	-	($ 56,296)	(1)
8500	**Total comprehensive income for the year**		$ 856,807	9	$ 1,637,689	11
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 887,895	9	$ 1,759,973	12
8620	Non-controlling interest		(23,277)	-	(65,988)	-
			$ 864,618	9	$ 1,693,985	12
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 877,316	9	$ 1,721,137	12
8720	Non-controlling interest		(20,509)	-	(83,448)	(1)
			$ 856,807	9	$ 1,637,689	11
	Earnings per share (in dollars)					
9750	**Basic earnings per share**	6(32)	$ 5.10		$ 10.31	
9850	**Diluted earnings per share**	6(32)	$ 5.02		$ 10.11	

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
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent													
			Capital Reserves			Retained Earnings			Other Equity Interest						
	Notes	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings (Accumulated deficits)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interest	Total equity
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 (Note)		-	-	-	-	-	-	365,436	-	(86,360)	(279,076)	-	-	-	-
Balance at January 1 after adjustments		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
Profit (loss) for the year		-	-	-	-	-	-	1,759,973	-	-	-	-	1,759,973	(65,988)	1,693,985
Other comprehensive income (loss) for the year		-	-	-	-	-	-	166	19,774	(58,776)	-	-	(38,836)	(17,460)	(56,296)
Total comprehensive income (loss)		-	-	-	-	-	-	1,760,139	19,774	(58,776)	-	-	1,721,137	(83,448)	1,637,689
Offset of accumulated deficit against 2017 retained earnings	6(24)														
Capital surplus used to cover accumulated deficit		-	(14,270)	-	-	-	-	14,270	-	-	-	-	-	-	-
Cash dividends from capital reserve		-	(84,298)	-	-	-	-	-	-	-	-	-	(84,298)	-	(84,298)
Convertible securities conversion		4,655	14,059	-	(625)	-	-	-	-	-	-	-	18,089	-	18,089
Transfer of treasury stocks to employees		-	-	196,337	-	-	-	-	-	-	-	121,603	317,940	-	317,940
Change in equity of associates and joint ventures accounted for using equity method	6(8)	-	-	-	(7,214)	-	-	(6,820)	-	-	-	-	(14,034)	-	(14,034)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	-	-	3,752	-	-	(30,251)	-	-	-	-	(26,499)	-	(26,499)
Others		-	-	-	-	-	-	571	-	(571)	-	-	-	-	-
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-	174,030	174,030
Balance at December 31, 2018		$ 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
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 year		-	-	-	-	-	-	887,895	-	-	-	-	887,895	(23,277)	864,618
Other comprehensive income (loss) for the year		-	-	-	-	-	-	(1,798)	(19,686)	10,905	-	-	(10,579)	2,768	(7,811)
Total comprehensive income (loss)		-	-	-	-	-	-	886,097	(19,686)	10,905	-	-	877,316	(20,509)	856,807
Appropriations of 2018 retained earnings	6(24)														
Legal reserve		-	-	-	-	175,997	-	(175,997)	-	-	-	-	-	-	-
Special reserve		-	-	-	-	-	199,195	(199,195)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,074,222)	-	-	-	-	(1,074,222)	-	(1,074,222)
Change in equity of associates and joint ventures accounted for using equity method	6(8)	-	-	-	486	-	-	-	-	-	-	-	486	-	486
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	-	-	64,060	-	-	(28,412)	-	-	-	-	35,648	180,007	215,655
Treasury share distributed to employees		-	-	86,261	-	-	-	-	-	-	-	64,623	150,884	-	150,884
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-	(10,947)	(10,947)
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	-	-	(36,000)	-	36,000	-	-	-	-	-
Balance at December 31, 2019		$ 1,754,936	$ 886,975	$ 306,832	$ 97,786	$175,997	$199,195	$ 1,461,346	($ 73,174)	($ 98,802)	$ -	$ -	$ 4,711,091	$ 586,302	$ 5,297,393

Note: The Group has elected the modified retrospective approach under IFRS 9, effective on January 1, 2018.

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,178,407	$ 2,157,609
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	504	4,154
Depreciation	6(30)	154,646	111,085
Amortisation	6(12)(30)	177,341	150,202
Gain on financial assets at fair value through profit or loss	6(28)	(902)	(145)
Share-based payments	6(21)	86,303	196,140
Share of loss of associates accounted for using equity method		70,591	62,308
Gain on disposal of property, plant and equipment	6(28)	(1,133)	(40,909)
Intangible assets transferred to other loss and expenses	6(12)	4,707	5,351
Gain on disposal of investment	6(28)	(8,027)	(112,386)
Impairment loss on non-financial assets	6(14)	46,825	4,845
Interest income	6(27)	(22,941)	(17,491)
Interest expense	6(29)	18,528	25,456
Dividend income	6(27)	2,916	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		201,052	(200,000)
Notes receivable		(941)	238
Accounts receivable		(142,835)	1,363,829
Accounts receivable - related parties		45,002	(11,726)
Other receivables		27,172	(272,276)
Other receivables - related parties		12,135	(9,843)
Inventories		(15,110)	(27,432)
Prepayments		28,602	(307,836)
Other current assets		12,472	(29,394)
Other non-current assets		212	287
Changes in operating liabilities			
Contract liabilities - current		(117,565)	(27,028)
Notes payable		(1,204)	695
Accounts payable		(94,025)	(779,331)
Accounts payable - related parties		(9,380)	(136,503)
Other payables		(109,961)	1,156,942
Other payables - related parties		(38,469)	108,215
Other current liabilities		13,912	(443,865)
Other non-current liabilities		672	(340)
Cash inflow generated from operations		1,521,388	2,930,851
Interest received		22,941	17,491
Dividends received		4,477	13,469
Interest paid		(18,528)	(25,456)
Income tax paid		(654,159)	(34,891)
Net cash provided by operating activities		876,119	2,901,464

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 81,376)	$ -
Proceeds from disposal of investments accounted for using equity method		-	97,094
Acquisition of investments accounted for using equity method	6(8)	(81,988)	(51,561)
Acquisition of subsidiaries (net of cash received)	6(34)	(101,859)	(152,287)
Acquisition of property, plant and equipment	6(36)	(104,707)	(101,527)
Proceeds from disposal of property, plant and equipment		29,259	90,719
Acquisition of intangible assets	6(36)	(300,401)	(80,175)
Proceeds from disposal of intangible assets	6(36)	52	8,538
Increase in other financial assets		(33,660)	(83,065)
Increase in refundable deposits		(6,082)	(3,962)
Net cash used in investing activities		(680,762)	(276,226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(37)	611,907	84,466
Repayment of short-term borrowings	6(37)	-	(787,387)
Repayment of long-term borrowings	6(37)	(560,000)	(539,533)
Increase in subsidiaries capital from non-controlling interest	6(33)	244,883	18,500
Payment of lease liabilities	6(37)	(25,966)	-
Decrease in guarantee deposits received		(276)	(97)
Sale of treasury shares to employees		64,581	121,800
Cash dividends paid	6(24)	(1,074,222)	(85,753)
Acquisition of additional equity interest in subsidiaries	6(33)	(29,229)	(14,500)
Redemption of convertible bonds		-	(100)
Decrease in subsidiaries capital from non-controlling interest		(10,947)	-
Net cash used in financing activities		(779,269)	(1,202,604)
Effect of exchange rate changes on cash and cash equivalents		(10,084)	(5,935)
Net (decrease) increase in cash and cash equivalents		(593,996)	1,416,699
Cash and cash equivalents at beginning of year		2,796,729	1,380,030
Cash and cash equivalents at end of year		$ 2,202,733	$ 2,796,729

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
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

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 authorised for issuance by the Board of Directors on March 12, 2020.

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:

New Standards, Interpretations and Amendments	Effective Date by the International Accounting Standards Board
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:

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) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

(b) The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of $9,026 was recognised in 2019.

(c) The exclusion of initial direct costs for the measurement of 'right-of-use asset'.

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	$	66,716

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

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective Date by the International Accounting Standards Board
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 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020

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

(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:

New Standards, Interpretations and Amendments	Effective Date by the International Accounting Standards Board
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
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2022

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 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", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

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

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

(b) 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 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:

			Ownership (%)		
Name of Investor	Name of Subsidiary	Main Business Activities	December 31, 2019	December 31, 2018	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment holdings	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment holdings	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Gamania Western Holdings Ltd.	Investment holdings	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania Netherlands Holdings Cooperatief U.A. (GNH)	Investment holdings	-	100	Note 9
Gamania International Holdings Ltd. (GIH)	Joymobee Entertainment Co., Ltd.	Software services	100	100	
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment holdings	42.06	50.07	Note 7
Gamania International Holdings Ltd. (GIH)	HaPod Digital Technology Co., Ltd.	Software services and sales	100	100	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	100	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V. (GEU)	Software services and sales	-	100	Note 9
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd. (GUS)	Software services and sales	-	100	Note 9
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design, research and development and sales of software	100	100	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Information and supply of electronic services	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2019	Ownership (%) December 31, 2018	Description
Achieve Made International Ltd. (AMI)	Jollywiz International (HK) Co., Ltd.	Information and supply of electronic services	86.73	86.73	Note 1
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment holdings	100	100	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Information and supply of electronic services	13.27	13.27	Note 1
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Information and supply of electronic services	52.27	52.27	Note 2
Bjolly Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows producton	1.58	-	Note 10
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd.	Information and supply of electronic services	100	100	
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Information and supply of electronic services	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd. (Gamania Asia)	Investment company	100	100	
Gamania Digital Entertainment Co., Ltd.	Ciirco Inc. (Ciirco)	Software services	99.69	99.57	
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd. (Fundation)	Publishing of magazines and periodicals	100	100	
Gamania Digital Entertainment Co., Ltd.	JollyBuy Digital Tech. Co., Ltd. (JollyBuy)	Information and supply of electronic services	95.10	100	
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd. (Two Tigers)	Animation production	51	51	
Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Gash Point)	Software information and supply of electronic services	90	90	
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd. (Ants' Power)	Customer service	100	100	
Gamania Digital Entertainment Co., Ltd.	Indiland Co., Ltd. (Indiland)	IP commodities authorisation	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2019	Ownership (%) December 31, 2018	Description
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd. (We Backers)	Crowd funding	93.38	91.67	
Gamania Digital Entertainment Co., Ltd.	BeanGo! Co., Ltd. (BeanGo!)	Software services	100	100	
Gamania Digital Entertainment Co., Ltd.	MadSugr Digital Technology Co., Ltd. (MadSugr)	Software services and sales	51	51	
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd. (Coture New Media)	Online media production	93.08	92.54	
Gamania Digital Entertainment Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Third-Party Payment	67.86	48.57	Note 3
Gamania Digital Entertainment Co., Ltd.	Coco Digital Technology Co., Ltd. (Coco)	Software services and sales	100	100	
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	77.79	78.70	Note 4
Gamania Digital Entertainment Co., Ltd.	Digicentre Company Limited (Digicentre)	Software services	67.48	66.96	Note 5
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Software information and supply of electronic services	100	100	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Software information and supply of electronic services	100	100	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	Software information and supply of electronic services	100	100	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Third-Party Payment	16.07	21.43	Note 3
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd. (Conetter)	Software services	79.98	84	
MadSugr Digital Technologies Co., Ltd.	MadSugr Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2019	December 31, 2018	Description
Coco Digital Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd. (Coco (HK))	Software services and sales	-	100	Note 9
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Software services	100	100	
Gamania Asia Investment Co., Ltd	The China Post Co., Ltd.	Newspaper and magazine publishing	100	100	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Information and supply of electronic services	2.27	2.27	Notes 2 and 6
Digicentre Company Limited	Digicentre (HK) Company Limited	Software services	100	100	Note 5
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Software services	100	-	Note 8

Note 1: The Company's subsidiaries, Achieve Made International Ltd. and Jollywiz Digital Technology Co., Ltd., held an 86.73% and 13.27% equity interest in Jollywiz International (HK) Co., Limited, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 2: The Company's subsidiaries, Jollywiz Digital Technology Co., Ltd. and Gamania Asia, held a 52.27% and 2.27% equity interest in Bjolly, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 3: As of December 31, 2019 and 2018, the Company held a 67.86% and 48.57% equity interest and Cash Point held a 16.07% and 21.43% equity interest in GAMA PAY, respectively. The Company and Gash Point Co., Ltd. jointly held half seats in the Board of Directors and had control over GAMA PAY, thus, GAMA PAY was included in the consolidated financial statements.

Note 4: On September 27, 2018, the Company acquired additional 33.56% equity of NOWnews and accordingly, the Company's ownership percentage increased from 45.14% to 78.70%. NOWnews was included in the consolidated financial statements thereafter.

Note 5: 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 6: On August 16, 2018, Gamania Asia acquired 2.27% equity of Bjolly during the capital increase.

Note 7: The equity held by the Group was less than 50%. However, the Group held half seats in the Board of Directors, thus, the investee was included in the consolidated financial statements.

Note 8: The subsidiary was established in April, 2019. The Company's subsidiary, Digicentre Company Limited, held a 100% equity interest in the investee.

Note 9: The liquidations of Coco (HK), GUS, GEU and GNH were completed in February, May, August and September, 2019, respectively.

Note 10: On November 29, 2019, Bjolly acquired 1.58% equity of NOWnews during the capital increase.

The financial statements of certain consolidated subsidiaries were audited by other auditors, which statements reflect total assets of $2,125,556 and $1,345,818, constituting 23% and 14% of the consolidated total assets as of December 31, 2019 and 2018, respectively, and net operating revenue of $2,186,630 and $1,185,227, constituting 23% and 8% of the consolidated total operating revenues for the years then ended, respectively.

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

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

E. Significant restrictions: None.

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

As of December 31, 2019 and 2018, the non-controlling interest amounted to $586,302 and $437,751, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2019		December 31, 2018		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
AMI and subsidiaries	Taiwan and China	$ 305,500	57.94%	$ 154,460	49.93%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	104,254	32.52%	106,150	33.04%	
GAMA PAY Co., Ltd.	Taiwan	69,994	16.07%	102,223	30.00%	

Note: Registered location of AMI is British Virgin Islands.

Balance sheets

	AMI and subsidiaries	
	December 31, 2019	December 31, 2018
Current assets	$ 726,969	$ 430,965
Non-current assets	44,103	60,210
Current liabilities	(236,470)	(177,499)
Total net assets	$ 534,602	$ 313,676

	GAMA PAY Co., Ltd.	
	December 31, 2019	December 31, 2018
Current assets	$ 442,766	$ 341,316
Non-current assets	52,000	37,511
Current liabilities	(43,911)	(38,085)
Non-current liabilities	(15,301)	-
Total net assets	$ 435,554	$ 340,742

	Digicentre Company Limited and subsidiaries	
	December 31, 2019	December 31, 2018
Current assets	$ 269,804	$ 241,769
Non-current assets	195,398	183,607
Current liabilities	(139,945)	(115,891)
Non-current liabilities	(21,398)	(12,764)
Total net assets	$ 303,859	$ 296,721

Statements of comprehensive income

	AMI and subsidiaries	
	Years ended December 31,	
	2019	2018
Revenue	$ 838,785	$ 740,957
Profit (loss) before income tax	2,942	(11,709)
Income tax benefit	5,183	-
Profit (loss) for the year	8,125	(11,709)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	$ 8,125	($ 11,709)
Comprehensive income (loss) attributable to non-controlling interest	$ 4,715	($ 5,846)
Dividends paid to non-controlling interest	$ -	$ -

	GAMA PAY Co., Ltd.	
	Years ended December 31,	
	2019	2018
Revenue	$ 1,709	$ 627
Loss before income tax	(109,308)	(117,272)
Income tax expense	-	-
Loss for the year	(109,308)	(117,272)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the year	($ 109,308)	($ 117,272)
Comprehensive loss attributable to non-controlling interest	($ 23,689)	($ 37,504)
Dividends paid to non-controlling interest	$ -	$ -

	Digicentre Company Limited and subsidiaries	
	Years ended December 31,	
	2019	2018
Revenue	$ 655,026	$ 509,434
Profit before income tax	38,532	40,457
Income tax expense	(8,563)	(7,665)
Profit for the year	29,969	32,792
Other comprehensive (loss) income, net of tax	(182)	152
Total comprehensive income for the year	$ 29,787	$ 32,944
Comprehensive income attributable to non-controlling interest	$ 8,447	$ 2,743
Dividends paid to non-controlling interest	$ 7,778	$ -

Statements of cash flows

	AMI and subsidiaries	
	Years ended December 31,	
	2019	2018
Net cash used in operating activities	($ 84,506)	($ 53,204)
Net cash used in investing activities	(14,793)	(6,112)
Net cash provided by financing activities	243,706	4,786
Effect of exchange rate changes on cash and cash equivalents	11,874	(18,348)
Increase (decrease) in cash and cash equivalents	156,281	(72,878)
Cash and cash equivalents, beginning of year	64,793	137,671
Cash and cash equivalents, end of year	$ 221,074	$ 64,793

	GAMA PAY Co., Ltd.	
	Years ended December 31,	
	2019	2018
Net cash used in operating activities	($ 90,605)	($ 101,006)
Net cash used in investing activities	(3,532)	(18,663)
Net cash provided by financing activities	194,839	100,000
Increase (decrease) in cash and cash equivalents	100,702	(19,669)
Cash and cash equivalents, beginning of year	326,941	346,610
Cash and cash equivalents, end of year	$ 427,643	$ 326,941

	Digicentre Company Limited and subsidiaries	
	Years ended December 31,	
	2019	2018
Net cash provided by operating activities	$ 44,164	$ 20,038
Net cash used in investing activities	(12,832)	(9,468)
Net cash provided by (used in) financing activities	32,566	(31,541)
Effect of exchange rate changes on cash and cash equivalents	(968)	-
Increase (decrease) in cash and cash equivalents	62,930	(20,971)
Cash and cash equivalents, beginning of year	42,246	63,217
Cash and cash equivalents, end of year	$ 105,176	$ 42,246

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

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

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

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

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

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

(5) <u>Classification of current and non-current items</u>

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) <u>Cash equivalents</u>

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

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

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

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

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

C. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For receivables that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for receivables that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

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

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

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

(12) 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.

(13) Inventories

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

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

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

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

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

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

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

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

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

H. If the Group's business combination achieved in stages, the acquirer should remeasure its previously held interest at fair value at of the acquisition date, and recognised profit or loss if it derived any gain or loss.

(15) Property, plant and equipment

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

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

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

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

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

Other equipment	2～4 years

(16) 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.

(17) Operating leases (lessee)

Prior to 2019

A lease is classified as an operating lease if the lessor assumes substantially all the risks and rewards incidental to ownership of the leased asset. 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.

(18) Intangible assets

A. Licence fees

Licence fees for operating online game software, are stated at cost and amortised based on the period of the contract or reversed in proportion of operating revenue after online games lauching.

B. Software

Costs of software are stated at cost and amortised under the straight-line basis over the estimated useful life of 1-5 years.

C. Trademark right

Trademark right is stated at fair value at the acquisition date and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future.

Trademark right is not amortised, but is tested annually for impairment.

D. Customer relationships

Customer relationships which are intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 8~12 years.

E. Other intangible assets

(a) Copyrights which are intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 15 years.

(b) Software independent development which is intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 3 years.

(c) Mobile phone games outsourcing and unamortised charges with estimated useful life are stated at cost at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 1~3 years.

F. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Goodwill is recognised in the amount of acquisition price including direct costs of business combination less the fair value of identifiable net assets acquired. The measurement date of acquisition price must not exceed one year from the acquisition date.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets in accordance with IAS 36 'Impairment of assets' where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

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

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

(20) Borrowings

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

(21) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Short-term notes and accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

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

(23) Financial liabilities and equity instruments - Bonds payable

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

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

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

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

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

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

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

(24) 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.

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.

(25) Employee share-based payment

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

(26) 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.

(27) Share capital

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

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

(28) Dividends

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

(29) Revenue recognition

A. Online and mobile games revenue

(a) The Group is engaged in online games and mobile phone games and sales of peripheral products of the games. Sales are recognised when control of the products has transferred, that is, the customer has control of the product and obtained most residual benefit, and there is no unfulfilled obligation that could affect the customer acceptance of the products.

(b) Revenue is measured at the fair value of the consideration received or receivable taking into account business tax, returns, rebates and discounts for the sale of goods based on the contract price.

(c) 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 the expected users' relationship periods or the estimated delivery period of the virtual items, when they are actually used.

(d) The Group recognised accounts receivable when the control of product has been transferred and has the right to collect price without condition. The accounts receivable has usually a short-term period and does not contain significant financial component. However, for online games and mobile phone games, the Group collects the price in advance upon sale, and recognises the contract liability.

B. Sales of services

The Group recognises customer service revenue, advertisement revenue, E-commerce service revenue, cloud and information security service revenue when the individual obligation is fulfilled at a point in time or fulfilled over time. Service revenue is based on contract price.

C. Revenue from stored-values

The Group is engaged in the sale of game stored-value cards. The purpose of selling game stored-value cards to players is to offer a tool that allows them to purchase game services from the Group or another party. When a player purchases a game from another party for which the Group has no control over the service provided, then the Group merely acts as an intermediary that facilitates the transaction; the game service is entirely provided by another party. The Group recognises payments received less amounts paid to another party as revenue.

(30) Business combinations

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

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

(31) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical 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 December 31, 2019, the Group recognised deferred contract liability in the amount of $335,054.

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 December 31, 2019, the Group recognised licence fees, net of impairment, amounting to $254,765.

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.

As of December 31, 2019, the Group recognised customer relationship amounting to $161,132.

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 on goodwill impairment.

As of December 31, 2019, the Group recognised goodwill, net of impairment loss, amounting to $310,585.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2019	December 31, 2018
Cash on hand and petty cash	$ 5,828	$ 8,951
Checking accounts and demand deposits	1,139,689	1,362,985
Cash equivalents - time deposits	1,057,216	1,424,793
	$ 2,202,733	$ 2,796,729

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 at fair value through profit or loss

Items	December 31, 2019	December 31, 2018
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Open-end funds	$ -	$ 200,000
Valuation adjustment	-	150
	$ -	$ 200,150

The Group recognised net profit of $902 and $145 on financial assets at fair value through profit or loss for the years ended December 31, 2019 and 2018, respectively.

(3) Notes and accounts receivable

	December 31, 2019	December 31, 2018
Notes receivable	$ 511	$ 1,452
Accounts receivable	$ 1,114,107	$ 971,272
Less: Loss allowance	(46,633)	(50,217)
	1,067,474	921,055
Overdue receivables (shown as other non-current assets)	99,830	99,830
Less: Loss allowance	(99,830)	(99,830)
	$ 1,067,474	$ 921,055

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

	December 31, 2019	December 31, 2018
Not past due	$ 1,026,566	$ 879,705
Up to 30 days	13,602	18,206
31~60 days	10,700	6,739
61~90 days	2,364	4,884
91~120 days	796	1,352
Over 121 days	60,079	60,386
	$ 1,114,107	$ 971,272

The above ageing analysis was based on past due date.

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

C. As at December 31, 2019, December 31, 2018 and January 1, 2018, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to $1,214,448, $1,072,554 and $2,416,748, respectively.

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

E. As at December 31, 2019 and 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 was $511 and $1,452, and accounts receivable was $1,067,474 and $921,055, respectively.

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

(4) Other accounts receivable

	December 31, 2019	December 31, 2018
Other receivables	$ 440,722	$ 468,019
Less: Loss allowance	(70,368)	(66,405)
	$ 370,354	$ 401,614

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

	December 31, 2019	December 31, 2018
Not past due	$ 303,186	$ 319,936
Up to 30 days	5,331	15,078
31 to 60 days	4,046	3,560
61 to 90 days	2,607	5,980
91 to 120 days	1,653	2,836
Over 121 days	123,899	120,629
	$ 440,722	$ 468,019

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 December 31, 2019 and 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 was $370,354 and $401,614, respectively.

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

(5) Inventories

	December 31, 2019		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	$ 118,556	($ 2,127)	$ 116,429

	December 31, 2018		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	$ 104,455	($ 3,136)	$ 101,319

Expenses and losses incurred on inventories for the year:

	Years ended December 31,	
	2019	2018
Cost of goods sold	$ 689,824	$ 536,928
(Gain on reversal of) loss on decline in market value (Note)	(1,009)	813
	$ 688,815	$ 537,741

Note: The Group reversed allowance for obsolescence because some inventories with allowance for obsolescence had been sold during the year ended December 31, 2019.

(6) Prepayments

	December 31, 2019	December 31, 2018
Prepayments to suppliers	$ 385,294	$ 445,366
Prepaid expenses	105,546	95,271
Excess business tax paid	51,192	81,253
Others	2,602	5,574
	$ 544,634	$ 627,464

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

Items	December 31, 2019	December 31, 2018
Non-current items:		
Equity instruments		
OTC stocks	$ 78,376	$ -
Emerging stocks	20,000	20,000
Unlisted, non-OTC and non-emerging stocks	561,031	594,031
	659,407	614,031
Valuation adjustment	(105,874)	(152,079)
	$ 553,533	$ 461,952

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 $553,533 and $461,952 as at December 31, 2019 and 2018, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2019	2018
Change of fair value recognised in other comprehensive income	$ 11,541	($ 58,776)
Cumulative (losses) gains reclassified to retained earnings due to derecognition or reclassification	($ 36,000)	$ 571
Dividend income recognised in profit or loss held at end of year	$ 2,916	$ 781

C. After participating in 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. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(8) Investments accounted for using equity method

	2019	2018
At January 1	$ 227,574	$ 584,731
Addition of investments accounted for using equity method	81,988	51,561
Transferred from financial assets at fair value through other comprehensive income - non-current (Note 1)	-	15,570
Disposal of investments accounted for using equity method (Note 2)	(160)	(323,316)
Share of loss of investments accounted for using equity method	(70,591)	(62,308)
Earnings distribution of investments accounted for using equity method	(1,561)	(13,469)
Provision for impairment	-	(4,845)
Changes in capital surplus	486	(7,214)
Changes in retained earnings	-	(6,820)
Changes in other equity	(821)	(12)
Effects of foreign exchange	(1,497)	(6,304)
At December 31	$ 235,418	$ 227,574

Note 1: Information on Aotter Inc. transferring financial assets at fair value through other comprehensive income - non-current into investments accounted for using equity method on August 31, 2018 is provided in Note 6(7) C.

Note 2: On September 27, 2018, the Company acquired 33.56% equity of NOWnews. With the previously held equity interest of 45.14%, the Company's ownership increased to 78.70%. Accordingly, NOWnews was then included in the consolidated financial statements. On October 4, 2018, the Company acquired 28.70% equity of Digicentre Company Limited. With the previously held equity interest of 38.26%, the Company's ownership increased to 66.96%. Accordingly, Digicentre Company Limited was then included in the consolidated financial statements.

A. List of long-term investments

Name of associates	December 31, 2019 Ownership percentage	December 31, 2019 Balance	December 31, 2018 Ownership percentage	December 31, 2018 Balance
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	$ 61,046	49.00	$ 62,351
Jsdway Digital Technology Co., Ltd. (Jsdway)	36.76	48,785	35.04	48,363
Fantasy Fish Digital Games Co., Ltd. (Fantasy Fish)	44.08	27,939	44.08	40,944
Walkermedia Co., Ltd. (Walkermedia)	30.00	26,431	-	-
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.54	25,281	29.39	25,283
Aotter Inc. (Aotter)	21.48	23,356	21.48	24,456
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.)	19.35	10,241	19.35	13,940
Polysh Co., Ltd.	20.00	8,720	20.00	8,711
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	2,979	30.00	2,528
4-Way Voice Cultural Co., Ltd. (4-Way Voice)	38.00	640	38.00	818
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 1)	30.00	-	30.00	-
ACCI Group Limited (ACCI) (Note 1)	30.00	-	30.00	-
Firedog creative Co., Ltd. (Firedog) (Note 1)	40.00	-	40.00	-
Petsmao Co., Ltd. (Petsmao) (Note 1)	-	-	37.50	-
Machi Pictures Co., Ltd. (Machi Pictures) (Note 2)	-	-	33.33	180
		$ 235,418		$ 227,574

Note 1: All impairment losses derived from equity investments have been recognised based on the Company’s assessment. The liquidation of Petsmao was completed in June 2019.

Note 2: The liquidation of Machi Pictures was completed in July 2019.

B. As of December 31, 2019 and 2018, the carrying amount of the Group's individually immaterial associates amounted to $235,418 and $227,574, respectively. The Group's share of the operating results are summarised below:

	Years ended December 31,	
	2019	2018
Loss for the year	($ 184,492)	($ 62,308)
Other comprehensive loss, net of tax	(821)	(12)
Total comprehensive loss	($ 185,313)	($ 62,320)

C. 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
At January 1, 2019									
Cost	$ 2,246,082	$ 495,830	$ 498,949	$ 1,252	$ 81,249	$ 31,027	$ 39,869	$ 7,290	$ 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)
	$ 2,246,082	$ 424,559	$ 149,209	$ 61	$ 33,223	$ 17,903	$ 17,983	$ 7,290	$ 2,896,310
2019									
Opening net book amount as at January 1	$ 2,246,082	$ 424,559	$ 149,209	$ 61	$ 33,223	$ 17,903	$ 17,983	$ 7,290	$ 2,896,310
Additions	-	10,523	73,063	-	16,636	2,475	11,598	3,290	117,585
Disposals	-	-	(25,720)	-	(2,247)	-	(159)	-	(28,126)
Transfers	-	10,414	-	-	-	-	-	(10,414)	-
Reclassifications	-	(3,800)	(1,428)	-	2,802	3,800	(1,374)	-	-
Depreciation charge	-	(32,690)	(64,580)	-	(13,915)	(7,974)	(9,423)	-	(128,582)
Net exchange differences	-	-	8	(1)	(73)	14	(12)	-	(64)
Closing net book amount as at December 31	$ 2,246,082	$ 409,006	$ 130,552	$ 60	$ 36,426	$ 16,218	$ 18,613	$ 166	$ 2,857,123
At December 31, 2019									
Cost	$ 2,246,082	$ 510,633	$ 480,749	$ 1,202	$ 94,032	$ 37,388	$ 44,217	$ 166	$ 3,414,469
Accumulated depreciation	-	(101,627)	(343,815)	(1,142)	(57,606)	(21,170)	(25,604)	-	(550,964)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	$ 2,246,082	$ 409,006	$ 130,552	$ 60	$ 36,426	$ 16,218	$ 18,613	$ 166	$ 2,857,123

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
At January 1, 2018									
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)
	$ 2,150,050	$ 425,272	$ 133,136	$ 62	$ 34,903	$ 30,673	$ 20,207	$ -	$ 2,794,303
2018									
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	-	23,058	36,275	-	7,984	4,054	3,079	-	74,450
Acquired from business combinations	105,421	33,542	40,553	-	1,561	4,029	2,591	-	187,697
Disposals	(9,519)	(23,587)	(263)	-	(790)	(15,502)	(149)	-	(49,810)
Transfers	-	22,317	-	-	-	-	-	(22,317)	-
Reclassifications	-	(29,607)	-	-	-	-	-	29,607	-
Depreciation charge	-	(26,761)	(60,532)	-	(10,442)	(5,606)	(7,744)	-	(111,085)
Net exchange differences	130	325	40	(1)	7	255	(1)	-	755
Closing net book amount as at December 31	$ 2,246,082	$ 424,559	$ 149,209	$ 61	$ 33,223	$ 17,903	$ 17,983	$ 7,290	$ 2,896,310
At December 31, 2018									
Cost	$ 2,246,082	$ 495,830	$ 498,949	$ 1,252	$ 81,249	$ 31,027	$ 39,869	$ 7,290	$ 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)
	$ 2,246,082	$ 424,559	$ 149,209	$ 61	$ 33,223	$ 17,903	$ 17,983	$ 7,290	$ 2,896,310

A. No borrowing cost was capitalised as part of property, plant and equipment.

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

(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 6 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. Short-term leases with a lease term of 12 months or less comprise buildings and multifunction printers. On December 31, 2019, payments of lease commitments for short-term leases amounted to $41,147.

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

	December 31, 2019	Year ended December 31, 2019
	Book value	Depreciation charge
Buildings	$ 46,746	$ 19,881
Transportation equipment (Business vehicles)	1,614	2,602
Other equipment	11,340	3,581
	$ 59,700	$ 26,064

D. For the year ended December 31, 2019, the additions to right-of-use assets was $19,178.

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

	Year ended December 31, 2019
Items affecting profit or loss	
Interest expense on lease liabilities	$ 664
Expense on short-term lease contracts	$ 41,147

F. For the year ended December 31, 2019, the Group's total cash outflow for leases was $67,777.

(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 year ended December 31, 2019 is as follows:

	Year ended December 31, 2019
Rent income	$ 1,642

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

	December 31, 2019
2020	$ 914
2021	305
	$ 1,219

(12) Intangible assets

	Licence fees	Software	Other intangible asset	Trademark right	Customer relationship	Goodwill	Total
At January 1, 2019							
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)
	$ 106,050	$ 18,974	$ 64,618	$ 10,090	$ 179,873	$ 357,863	$ 737,468
2019							
Opening net book amount as at January 1	$ 106,050	$ 18,974	$ 64,618	$ 10,090	$ 179,873	$ 357,863	$ 737,468
Additions	248,105	68,659	5,948	-	-	-	322,712
Transfers (Note 1)	54,228	-	-	-	-	-	54,228
Amortisation charge	(111,998)	(40,474)	(6,363)	-	(18,506)	-	(177,341)
Disposals during the year	(38,250)	-	(52)	-	-	-	(38,302)
Transferred to expenses and losses	-	(32)	(4,675)	-	-	-	(4,707)
Impairment loss (Note 2)	-	-	-	-	-	(46,825)	(46,825)
Net exchange differences	(3,370)	(203)	(421)	-	(235)	(453)	(4,682)
Closing net book amount as at December 31	$ 254,765	$ 46,924	$ 59,055	$ 10,090	$ 161,132	$ 310,585	$ 842,551
At December 31, 2019							
Cost	$ 578,658	$ 98,238	$ 105,289	$ 10,090	$ 197,852	$ 385,114	$ 1,375,241
Accumulated amortisation	(306,572)	(51,314)	(46,234)	-	(36,720)	-	(440,840)
Accumulated impairment	(17,321)	-	-	-	-	(74,529)	(91,850)
	$ 254,765	$ 46,924	$ 59,055	$ 10,090	$ 161,132	$ 310,585	$ 842,551

Note 1: Pertains to revenue sharing prepayments which were then used as fees to acquire licenses. Thus, the prepayments were transferred to intangible assets.

Note 2: It refers to impairment loss of goodwill arising from NOWnews and Digicentre amounting to $46,825. Please refer to Note 6(14) for further information.

	Licence fees	Software	Other intangible asset	Trademark right	Customer relationship	Goodwill	Total
At January 1, 2018							
Cost	$ 394,532	$ 55,108	$ 51,317	$ -	$ 27,856	$ 46,570	$ 575,383
Accumulated amortisation	(149,133)	(40,942)	(43,821)	-	(10,446)	-	(244,342)
Accumulated impairment	(17,321)	-	-	-	-	(27,501)	(44,822)
	$ 228,078	$ 14,166	$ 7,496	$ -	$ 17,410	$ 19,069	$ 286,219
2018							
Opening net book amount as at January 1	$ 228,078	$ 14,166	$ 7,496	$ -	$ 17,410	$ 19,069	$ 286,219
Additions	901	28,623	35,659	-	-	-	65,183
Addition - acquired through business combinations	-	1,778	28,869	10,090	169,791	338,204	548,732
Amortisation charge	(114,441)	(25,656)	(2,282)	-	(7,823)	-	(150,202)
Disposals during the year	(8,538)	-	-	-	-	-	(8,538)
Transferred to expenses and losses	-	-	(5,351)	-	-	-	(5,351)
Net exchange differences	50	63	227	-	495	590	1,425
Closing net book amount as at December 31	$ 106,050	$ 18,974	$ 64,618	$ 10,090	$ 179,873	$ 357,863	$ 737,468
At December 31, 2018							
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)
	$ 106,050	$ 18,974	$ 64,618	$ 10,090	$ 179,873	$ 357,863	$ 737,468

A. The details of amortisation are as follows:

	Years ended December 31, 2019	2018
Operating costs	$ 127,672	$ 125,006
Selling expenses	18,060	13,933
General and administrative expenses	30,446	9,703
Research and development expenses	1,163	1,317
	$ 177,341	$ 149,959

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

	December 31, 2019	December 31, 2018
Goodwill:		
NOWnews	$ 197,055	$ 197,055
Digicentre	141,149	141,149
AMI	18,467	18,920
GCH	26,791	27,448
Sino	914	937
The China Post Co., Ltd.	738	738
	385,114	386,247
Less: Accumulated impairment	(74,529)	(28,384)
	$ 310,585	$ 357,863

As of December 31, 2019, the Group's goodwill acquired in a business combination amounted to $310,585, consisting of expected operating revenue growth from acquired companies and benefits from its potential customer relations. In accordance with IAS 36, goodwill acquired from business combination shall be tested for impairment every year. The further impairment testing on the goodwill is as follows:

For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows. Thus, the impairment of goodwill is calculated based on difference between the recoverable amount and carrying amount of net assets of each company.

The goodwill arising from NOWnews and Digicentre was impaired as the recoverable amount is less than the carrying amount. The recoverable amount was determined based on the value-in-use calculated by the external appraiser. The main assumptions used by external appraiser in calculating value-in-use are set out below:

	December 31, 2019	December 31, 2018
Growth rate	2.3%~4.3%	2.3%~4.3%
Discount rate	13.6%~13.8%	13.9%~14.3%

Aside from NOWnews and Digicentre, the recoverable amount of cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations take into consideration operating profit margin, growth rate and discount rate.

Management determined budgeted operating profit margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant operating segments.

(13) Other non-current assets

	December 31, 2019	December 31, 2018
Overdue receivables	$ 99,830	$ 99,830
Less: Allowance for doubtful accounts - overdue receivables	(99,830)	(99,830)
Refundable deposits	40,436	34,354
Other non-current financial assets (Note)	28,363	21,908
Others	767	979
	$ 69,566	$ 57,241

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

(14) Impairment of non-financial assets

A. The Group recognised impairment loss of $46,825 and $4,845 for the years ended December 31, 2019 and 2018, respectively.

	Year ended December 31, 2019	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss－Goodwill	$ 46,825	$ -

	Year ended December 31, 2018	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss - Investments accounted for using equity method	$ 4,845	$ -

B. The Group implemented impairment testing on the recoverable amount of goodwill at the financial year-end date. Information on the determination of the recoverable amount is provided in Note 6(12). For the year ended December 31, 2019, the recoverable amounts of goodwill of NOWnews and Digicentre were lower than their carrying amounts, and the Group recognised impairment of goodwill amounting to $46,825.

C. For the year ended December 31, 2018, the Group recognised impairment loss on the investments in associates accounted for using equity method, Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. and ACCI Group Limited. Impairment loss was recognised given that the recoverable amount of expected future cash flows estimated based on the best available information on the balance sheet date is less than the book value.

(15) Short-term borrowings

	December 31, 2019	December 31, 2018
Bank borrowings		
Secured borrowings	$ 98,179	$ 55,147
Unsecured borrowings	650,000	84,466
	$ 748,179	$ 139,613
Credit lines	$ 2,150,171	$ 1,311,766
Interest rate range	1.10%~6.10%	3.30%~6.10%

(16) Other payables

	December 31, 2019	December 31, 2018
Store-value received on behalf of others	$ 755,248	$ 749,050
Payable on corporate tax and withholding tax	79,379	87,628
Commission payable	84,746	79,379
Salary and annual bonus payable	183,964	166,407
Employees' compensation payable	173,060	270,924
Payable on equipment and intangible assets	70,843	53,523
Directors' and supervisors' remuneration payable	26,678	50,687
Payable on investment (Non-controlling interest)	-	101,859
Others	204,110	212,684
	$ 1,578,028	$ 1,772,141

(17) Other current liabilities

	December 31, 2019	December 31, 2018
Long-term borrowings, current portion	$ 160,000	$ 160,000
Receipts under custody	10,280	17,640
Tax receipts under custody	12,567	8,614
Other current liabilities	27,600	10,281
	$ 210,447	$ 196,535

(18) Bonds payable

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%.

(19) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2019
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 in 28 installments	1.4%~1.7%	Land and Buildings and structures	$ 400,000
Less: Current portion				(160,000)
				$ 240,000

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 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 in 28 installments	1.4%~1.7%	Land and Buildings and structures	$	960,000
Less: Current portion				(	160,000)
				$	800,000

(20) Pensions

A. Defined benefit plan

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, 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 Labor Standards Act. 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 years ended December 31, 2019 and 2018 were $662 and $655, respectively.

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

	December 31, 2019		December 31, 2018	
Present value of defined benefit obligations	($	67,103)	($	61,465)
Fair value of plan assets		63,977		59,982
Net defined benefit liability (shown as other non-current liabilities)	($	3,126)	($	1,483)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
Year ended December 31, 2019			
Balance at January 1	($ 61,465)	$ 59,982	($ 1,483)
Current service cost	(646)	-	(646)
Interest (expense) income	(676)	660	(16)
	(62,787)	60,642	(2,145)
Remeasurements:			
Return on plan assets	-	2,069	2,069
Change in financial assumptions	(2,636)	-	(2,636)
Experience adjustments	(1,680)	-	(1,680)
	(4,316)	2,069	(2,247)
Pension fund contribution	-	1,266	1,266
Balance at December 31	($ 67,103)	$ 63,977	($ 3,126)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
Year ended December 31, 2018			
Balance at January 1	($ 59,696)	$ 57,308	($ 2,388)
Current service cost	(625)	-	(625)
Interest (expense) income	(776)	746	(30)
	(61,097)	58,054	(3,043)
Remeasurements:			
Return on plan assets	-	1,551	1,551
Change in financial assumptions	(1,701)	-	(1,701)
Experience adjustments	373	-	373
	(1,328)	1,551	223
Pension fund contribution	-	1,337	1,337
Paid pension	960	(960)	-
Balance at December 31	($ 61,465)	$ 59,982	($ 1,483)

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2019 and 2018 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2019	2018
Discount rate	0.80%	1.10%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2019				
Effect on present value of defined benefit obligation	($ 2,206)	$ 2,300	$ 2,066	($ 1,998)
December 31, 2018				
Effect on present value of defined benefit obligation	($ 2,117)	$ 2,210	$ 1,999	($ 1,930)

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(g) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2020 amount to $1,255.

B. Defined contribution plan

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

(b) The Company's mainland 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 years ended December 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., and Madsugr 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 years ended December 31, 2019 and 2018 were $36,072 and $31,335, respectively.

(21) Share-based payment

A. For the years ended December 31, 2019 and 2018, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
8th treasury stock transferred to employees of the Company and subsidiaries	2018.8.9	4,200,000	NA	Vested immediately
9th treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	2,049,000	NA	Vested immediately
10th treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	183,000	NA	Vested immediately

B. The fair value of treasury stock transferred to employees on May 29, 2019 and August 9, 2018 is measured using the Black-Scholes pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
8th treasury stock transferred to employees of the Company and subsidiaries	2018.8.9	$ 29	42.65%	0.067 year	0.59%	$ 46.71
9th treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	28.96	31.18%	0.14 year	0.59%	38.66
10th treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	28.64	31.18%	0.14 year	0.59%	38.98

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

C. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2019	2018
Equity-settled	$ 86,303	$ 196,140

(22) Common stock

A. As of December 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	-	465
Treasury stock transferred to employees	2,232	4,200
At December 31	175,494	173,262

B. Treasury shares

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

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

There were no treasury shares as of December 31, 2019, because the Company has reissued all shares to employees.

(b) Pursuant to the R.O.C. Securities and Exchange Act, 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 Act, 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 Act, 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.

(23) 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.

(24) 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 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 May 29, 2019, the shareholders during their meeting resolved the 2018 appropriation of retained earnings as follows:

	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
	$ 1,449,414	$ 6.2

G. On March 12, 2020, the shareholders during their meeting resolved the 2019 appropriation of retained earnings as follows:

	Year ended December 31, 2019	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	$ 88,790	$ -
Reversal of special reserve	(27,219)	-
Cash dividends distributed to shareholders	544,030	3.1
	$ 605,601	$ 3.1

H. 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.

I. For the information relating to employees' bonus and directors' and supervisors' remuneration, please refer to Note 6(30).

(25) Other equity items

	2019		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	($ 53,488)	($ 145,707)	($ 199,195)
Revaluation - group	-	11,541	11,541
Revaluation - associates	-	(636)	(636)
Revaluation transferred to retained earnings - group	-	36,000	36,000
Currency translation differences:			
- Group	(19,501)	-	(19,501)
- Associates	(185)	-	(185)
At December 31	($ 73,174)	($ 98,802)	($ 171,976)

	2018			
	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	($ 73,262)	$ -	$ 279,076	$ 205,814
Effect of retrospective application	-	(86,360)	(279,076)	(365,436)
Balance after retrospective adoption at January 1	(73,262)	(86,360)	-	(159,622)
Revaluation - group	-	(58,776)	-	(58,776)
Revaluation transferred to retained earnings - group	-	(571)	-	(571)
Currency translation differences:				
- Group	19,786	-	-	19,786
- Associates	(12)	-	-	(12)
At December 31	($ 53,488)	($ 145,707)	$ -	($ 199,195)

(26) Operating revenue

	Years ended December 31,	
	2019	2018
Revenue from contracts with customers	$ 9,681,345	$ 14,334,948

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 types:

Year ended December 31, 2019	Online and mobile games revenue	Service revenue	Revenue from stored-values	Others	Total
Revenue from external customer contracts	$ 7,373,033	$ 1,760,693	$ 343,772	$ 203,847	$ 9,681,345
Timing of revenue recognition					
At a point in time	7,129,340	1,760,693	343,772	203,847	9,437,652
Over time	243,693	-	-	-	243,693
	$ 7,373,033	$ 1,760,693	$ 343,772	$ 203,847	$ 9,681,345

Year ended December 31, 2018	Online and mobile games revenue	Service revenue	Revenue from stored-values	Others	Total
Revenue from external customer contracts	$ 12,612,918	$ 1,153,888	$ 420,801	$ 147,341	$ 14,334,948
Timing of revenue recognition					
At a point in time	12,283,916	1,153,888	420,801	147,341	14,005,946
Over time	329,002	-	-	-	329,002
	$ 12,612,918	$ 1,153,888	$ 420,801	$ 147,341	$ 14,334,948

B. Contract liabilities

The Group recognised contract liabilities related to the contract revenue from sales amounting to $335,054, $452,619 and $475,856 as of December 31, 2019, December 31, 2018 and January 1, 2018, respectively.

(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

	Years ended December 31,	
	2019	2018
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from games	$ 452,619	$ 475,856

(27) Other income

	Years ended December 31,	
	2019	2018
Interest income:		
Interest income from bank deposits	$ 22,941	$ 17,491
Rental revenue	1,642	9,947
Dividend income	2,916	-
Other income - others	10,463	19,427
	$ 37,962	$ 46,865

(28) Other gains and losses

	Years ended December 31, 2019	Years ended December 31, 2018
Gain on disposal of property, plant and equipment	$ 1,133	$ 40,909
Gain on disposal of investments (Note)	8,027	112,386
Foreign exchange gain	15,625	28,559
Gain on financial assets at fair value through profit or loss	902	145
Impairment loss	(46,825)	(4,845)
Other gains and losses	(9,332)	(21,012)
	($ 30,470)	$ 156,142

Note: The Group held 45.14% and 38.26% equity interest in NOWnews Network Co., Ltd. and Digicentre Company Limited, respectively, before the business combination. The information on recognition of gain or loss from measuring at fair value is provided in Note 6(34).

(29) Finance costs

	Years ended December 31, 2019	Years ended December 31, 2018
Interest expense:		
Bank borrowings	$ 17,864	$ 25,421
Bonds payable	-	35
Others	664	-
	$ 18,528	$ 25,456

(30) Employee benefit, depreciation and amortisation expense

	Years ended December 31, 2019	Years ended December 31, 2018
Employee benefit expense		
Wages and salaries	$ 1,034,981	$ 969,569
Directors' remuneration	24,373	41,327
Share-based payments	86,303	196,140
Labor and health insurance fees	63,663	60,081
Pension costs	36,734	31,990
Other personnel expenses	41,502	55,731
	$ 1,287,556	$ 1,354,838
Depreciation on property, plant and equipment (including right-of-use assets)	$ 154,646	$ 111,085
Amortisation expense	$ 177,341	$ 150,202

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 years ended December 31, 2019 and 2018, employees' compensation was accrued at \$130,665 and \$250,711, respectively; while directors' and supervisors' remuneration was accrued at \$26,133 and \$50,142, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 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 and directors' and supervisors' remuneration for 2019 amounted to \$130,665 and \$26,000, respectively, as resolved at the meeting of Board of Directors. The employees' compensation resolved by the Board of Directors was the same with the amount recognised in the 2019 financial statements. The difference in directors' remuneration for 2019 of \$133 had been adjusted in the profit or loss for 2020.

Employees' compensation and directors' and supervisors' remuneration for 2018 amounted to \$250,711 and \$50,000, respectively, as resolved at the meeting of Board of Directors. 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.

C. Information about the appropriation of employees' compensation 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.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2019	Years ended December 31, 2018
Current tax:		
Current tax on profit for the year	\$ 265,644	\$ 494,159
Tax on unappropriated retained earnings	33,935	-
Prior year income tax (over) under estimation	(18,374)	22,524
Total current tax	281,205	516,683
Deferred tax:		
Origination and reversal of temporary differences	32,584	8,341
Temporary differences arising from business combination	-	(40,960)
Impact of change in tax rate	-	(20,440)
Income tax expense	\$ 313,789	\$ 463,624

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

	Years ended December 31, 2019	Years ended December 31, 2018
Remeasurement of defined benefit obligation	($ 449)	$ 45
Impact of change in tax rate	-	12
	($ 449)	$ 57

B. The reconciliation between accounting income and income tax expense:

	Years ended December 31, 2019	Years ended December 31, 2018
Tax calculated based on profit (loss) before tax and statutory tax rate	$ 259,282	$ 440,609
Effect from items disallowed by tax regulation	49,080	11,838
Effect from investment tax credits	-	(28,000)
Change in assessment of realisation of deferred tax assets	(10,134)	16,653
Prior year income tax (over) under estimation	(18,374)	22,524
Tax on unappropriated retained earnings	33,935	-
Income tax expense	$ 313,789	$ 463,624

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

	Year ended December 31, 2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
—Deferred tax assets:				
Provision for bad debts in excess of the allowable limit	$ 14,401	($ 11,323)	$ -	$ 3,078
Allowance for sales returns	107	(107)	-	-
Allowance for inventory obsolescence	428	(1)	-	427
Impairment loss on financial assets	1,971	-	-	1,971
Investment loss accounted for under equity method	88,863	(4,511)	-	84,352
Impairment loss on intangible assets	7,028	(1,400)	-	5,628
Unused compensated absences	4,492	413	-	4,905
Book-tax difference on property, plant and equipment from business combination	684	(21)	-	663
Deferred revenue	2,635	548	-	3,183
Pension payable	283	(107)	449	625
Loss carryforward	10,186	(4,208)	-	5,978
Royalty payable	11,000	(11,000)	-	-
Depreciation difference between tax and financial basis	25	114	-	139
Financial statements translation differences of foreign operations	-	33	-	33
Unrealised exchange loss	-	287	-	287
	$ 142,103	($ 31,283)	$ 449	$ 111,269
—Deferred tax liabilities:				
Investment gain accounted for equity method	($ 19,462)	($ 4,544)	$ -	($ 24,006)
Book-tax difference on intangible assets from business combination	(40,500)	3,427	-	(37,073)
Financial statements translation differences of foreign operations	(34)	34	-	-
Unrealised exchange gain	-	(218)	-	(218)
	($ 59,996)	($ 1,301)	$ -	($ 61,297)

	Year ended December 31, 2018				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	December 31
—Deferred tax assets:					
Provision for bad debts in excess of the allowable limit	$ 10,235	$ 4,166	$ -	$ -	$ 14,401
Allowance for sales returns	91	16	-	-	107
Allowance for inventory obsolescence	395	33	-	-	428
Impairment loss on financial assets	1,675	296	-	-	1,971
Investment loss accounted for under equity method	73,562	15,301	-	-	88,863
Impairment loss on intangible assets	5,058	1,970	-	-	7,028
Unused compensated absences	2,841	1,651	-	-	4,492
Book-tax difference on property, plant and equipment from business combination	-	(6)	-	690	684
Deferred revenue	9,443	(6,808)	-	-	2,635
Pension payable	392	(52)	(57)	-	283
Investment tax credits	22,534	(22,534)	-	-	-
Loss carryforward	18,316	(18,316)	-	-	-
Royalty payable	-	11,000	-	-	11,000
Depreciation difference between tax and financial basis	-	10,211	-	-	10,211
	$ 144,542	($ 3,072)	($ 57)	$ 690	$ 142,103
—Deferred tax liabilities:					
Investment gain accounted for equity method	($ 12,718)	($ 6,744)	$ -	$ -	($ 19,462)
Depreciation difference between tax and financial basis	(359)	359	-	-	-
Book-tax difference on intangible assets from business combination	-	1,150	-	(41,650)	(40,500)
Financial statements translation differences of foreign operations	-	(34)	-	-	(34)
	($ 13,077)	($ 5,269)	$ -	($ 41,650)	($ 59,996)

D. The Company and the Company's subsidiaries' expiration dates of unused loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2019				
Year incurred	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets	Usable until year
2009~2019	$ 2,379,672	$ 2,375,099	$ 2,375,099	2029

December 31, 2018				
Year incurred	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets	Usable until year
2007~2018	$ 2,351,001	$ 2,119,679	$ 2,119,679	2028

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

	December 31, 2019	December 31, 2018
Deductible temporary differences	$ 70,556	$ 80,690

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

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

	Latest Year Assessed by Tax Authority
The Company, Gash Point, Jollywiz, Two Tigers	2017
Ants' Power, Indiland, Gamania Asia, Ciirco, Coco, Coture New Media, Madsugr, Conetter CoMarketing, WeBackers, BeanGo!, Fundation, Jollybuy, GAMA PAY, Digicentre, NOWnews	2018

(32) Earnings per share

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 887,895	174,203	$ 5.10
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 887,895	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus (Note 1)	-	2,630	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 887,895	176,833	$ 5.02

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,759,973	170,641	$ 10.31
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,759,973	-	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds (Note 2)	32	79	
Employees' bonus (Note 1)	-	3,387	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,760,005	174,107	$ 10.11

Note 1: Effective January 1, 2008, as employees' compensation could be distributed in the form of

stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock compensation issuance in the weighted-average number of common shares outstanding during the reporting period, taking into account the dilutive effects of stock compensation 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 compensation 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' compensation 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-dilutive shares are not included in the computation.

(33) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

(a) On August 14, 2019 and December 11, 2019, the Group acquired additional 5.36% and 1.07% equity interest in the subsidiary, GAMA PAY, for a cash consideration of $24,343 and $4,886, respectively. For the year ended December 31, 2019, the movement in equity resulted in the changes in equity attributable to owners of parent as follows:

	GAMA PAY Year ended December 31, 2019
Carrying amount of non-controlling interest acquired	$ 30,267
Consideration paid to non-controlling interest	(29,229)
Capital surplus-changes in parent's ownership interest in subsidiary	$ 1,038

(b) On May 28, 2018 and September 19, 2018, the Group acquired an additional 32% and 1.5% equity interest in the subsidiaries, Conettor and BeanGo!, for a cash consideration of $13,000 and $1,500, respectively. For the year ended December 31, 2018, the movement in equity resulted in the changes in equity attributable to owners of parent as follows:

	Gash Point and its subsidiaries (Conetter) Year ended December 31, 2018
Carrying amount of non-controlling interest acquired	$ 15,548
Consideration paid to non-controlling interest	(13,000)
Capital surplus - changes in parent's ownership interest in subsidiaries	$ 2,548

	BeanGo!
	Year ended December 31, 2018
Carrying amount of non-controlling interest acquired	($ 375)
Consideration paid to non-controlling interest	(1,500)
Decrease in unappropriated retained earnings	($ 1,875)

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

(a) The subsidiaries, WeBackers, Ciirco, GAMA PAY, AMI, Jollybuy, NOWnews, Conetter and Coture New Media increased capital by issuing new shares for the year ended December 31, 2019. However, the Group did not acquire additional shares proportionately to its ownership interest, thus, the share ownership increased (decreased) by 1.71%, 0.12%, 7.50%, (8.01%), (4.90%), (0.67%), (4.02%) and 0.54%, respectively. The impact on the transaction attributed to owners of parent is as follows:

	WeBackers	Ciirco
	Year ended December 31, 2019	
Cash	$ -	$ -
Increase in carrying amount of non-controlling interest	(519)	(81)
Decrease in unappropriated retained earnings	($ 519)	($ 81)

	GAMA PAY	NOWnews
	Year ended December 31, 2019	
Cash	$ -	$ 9,575
Increase in carrying amount of non-controlling interest	(23,280)	(12,385)
Decrease in unappropriated retained earnings	($ 23,280)	($ 2,810)

	Coture New Media
	Year ended December 31, 2019
Cash	$ -
Increase in carrying amount of non-controlling interest	(669)
Decrease in unappropriated retained earnings	($ 669)

	AMI	Jollybuy
	Year ended December 31, 2019	
Cash	$ 226,738	$ 7,000
Increase in carrying amount of non-controlling interest	(165,426)	(5,200)
Capital surplus - changes in parent's ownership interest in subsidiaries	$ 61,312	$ 1,800

	Conetter
	Year ended December 31, 2019
Cash	$ 1,570
Increase in carrying amount of non-controlling interest	(1,660)
Capital surplus - changes in parent's ownership interest in subsidiaries	($ 90)

(b) The subsidiaries, AMI's subsidiary Bjolly, Bean Go!, Ciirco, Coture New Media, GAMA PAY and NOWnews, increased capital by issuing new shares for the year ended December 31, 2018. However, the Group did not acquire new shares proportionately to its ownership interest, thus, the share ownership (decreased) increased by (45.46%), 1%, 0.32%, 2.73%, 5% and 0.01%, respectively. The impact of this transaction attributed to owners of parent is as follows:

	Bean Go!	Ciirco
	Year ended December 31, 2018	
Cash	$ -	$ -
Increase in carrying amount of non-controlling interest	(415)	(272)
Decrease in unappropriated retained earnings	($ 415)	($ 272)

	Coture New Media	GAMA PAY
	Year ended December 31, 2018	
Cash	$ -	$ -
Increase in carrying amount of non-controlling interest	(3,238)	(16,810)
Decrease in unappropriated retained earnings	($ 3,238)	($ 16,810)

	NOWnews
	Year ended December 31, 2018
Cash	$ 8,500
Increase in carrying amount of non-controlling interest	(16,141)
Decrease in unappropriated retained earnings	($ 7,641)

	AMI's subsidiary Bjolly
	Year ended December 31, 2018
Cash	$ 10,000
Increase in carrying amount of non-controlling interest	(8,796)
Capital surplus - changes in parent's ownership interest in subsidiaries	$ 1,204

C. The subsidiary, Digicentre, purchased treasury shares for the year ended December 31, 2019 for a total amount of $2,434. Therefore, the share ownership of the Group increased by 0.52%, carrying amount of non-controlling interest increased by $1,053 and unappropriated retained earnings decreased by $1,053.

(34) Business combinations

A. (a) On September 27, 2018, the Group obtained control over NOWnews after acquiring 33.55% of its equity with a consideration of $150,226. NOWnews is a Taiwanese online news media engaged in the services of news coverage and digital videos. The Group expects mutual visitors flow and complementary effects in both networks through its network influence and social media convergence. As of December 31, 2019, the purchase consideration for business combination has been paid.

(b) The following table summarises the consideration paid for NOWnews and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value of the non-controlling interest at the acquisition date:

		December 31, 2018
Purchase consideration		
Cash paid	$	48,367
Payables on investments (shown as 'other payables')		101,859
		150,226
Fair value of equity interest in NOWnews held before the business combination		160,215
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets		40,422
		350,863
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		4,878
Accounts receivable, net		25,135
Prepayments		7,912
Other current assets		408
Property, plant and equipment		8,920
Intangible assets		179,900
Other non-current assets		2,416
Accounts payable	(	17,173)
Other payables	(	18,059)
Other current liabilities	(	4,492)
Deferred tax liabilities	(	35,908)
Other non-current liabilities	(	129)
Total identifiable net assets		153,808
Goodwill	$	197,055

(c) For the 45.14% equity of NOWnews previously held by the Group prior to business combination, the Group recognised gain on fair value remeasurement in the amount of $93,906 (shown as 'other gains and losses').

B. (a) On October 4, 2018, the Group obtained control over Digicentre Company Limited after acquiring 28.70% of its equity for a consideration of $166,637. Digicentre is a Taiwanese Type II Telecommunications Business in the services of IDC equipment rental and online security protection. The Group expects to enhance investments and management after acquisition of Digicentre.

(b) The following table summarises the consideration paid for Digicentre and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value of the non-controlling interest at the acquisition date:

	December 31, 2018
Purchase consideration - cash paid	$ 166,637
Fair value of equity interest in Digicentre held before the business combination	178,394
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	103,109
	448,140
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	57,839
Accounts receivable, net	110,813
Other receivables, net	11
Inventory	2,806
Prepayments	6,282
Other current assets	4,702
Property, plant and equipment	178,777
Intangible assets	30,628
Deferred tax assets	690
Other non-current assets	3,714
Accounts payable	(37,073)
Other payables	(26,295)
Current tax liabilities	(5,050)
Other current liabilities	(3,600)
Deferred tax liabilities	(5,742)
Other non-current liabilities	(11,511)
Total identifiable net assets	306,991
Goodwill	$ 141,149

(c) For the 38.26% equity of Digicentre previously held by the Group prior to business combination, the Group recognised loss on fair value remeasurement in the amount of ($7,697) (shown as 'other gains and losses').

C. The operating revenue included in the consolidated statement of comprehensive income since September 27, 2018 and October 4, 2018, contributed by NOWnews and Digicentre were $29,790 and $103,305, respectively, and profit before income tax were ($12,829) and $10,014, respectively. Had NOWnews and Digicentre been consolidated from January 1, 2018, the consolidated statement of comprehensive income would show operating revenue and profit before income tax of $14,777,517 and $2,703,574, respectively.

(35) Operating leases

Prior to 2019

The Group leases warehouse, offices and network equipment under non-cancellable operating lease agreements. The Group recognised rental expenses of $41,372, for these leases in profit or loss for the year ended December 31, 2018. The future aggregate minimum lease payments are as follows:

	December 31, 2018
Not later than one year	$ 37,799
Later than one year but not later than five years	36,416
	$ 74,215

(36) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31,	
	2019	2018
Acquisition of property, plant and equipment	$ 117,585	$ 74,450
Add: Opening balance of payables on equipment	12,880	5,743
Add: Opening balance of other payables - related parties	-	34,214
Less: Ending balance of payables on equipment	(25,758)	(12,880)
Cash paid during the year	$ 104,707	$ 101,527

	Years ended December 31,	
	2019	2018
Purchase of intangible assets	$ 322,712	$ 65,183
Add: Opening balance of account 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	(45,085)	(40,643)
Less: Ending balance of other payables - related parties	-	(20,381)
Cash paid during the year	$ 300,401	$ 80,175

	Years ended December 31,	
	2019	2018
Disposals of intangible assets	$ 38,302	$ 8,538
Less: Offsetting other payables	(38,250)	-
Cash paid during the year	$ 52	$ 8,538

(37) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, ‘Disclosure initiative’, movements for the years ended December 31, 2019 and 2018 are as follows:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
January 1, 2019	$ 139,613	$ 960,000	$ 66,716	$ 1,166,329
Changes in cash flow from financing activities	611,907	(560,000)	(25,966)	25,941
Impact of changes in foreign exchange rate	(3,341)	-	(77)	(3,418)
Changes in other non-cash items				
Increase in right-of-use assets	-	-	19,178	19,178
December 31, 2019	$ 748,179	$ 400,000	$ 59,851	$ 1,208,030

	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	(702,921)	(539,533)	(100)	(1,242,554)
Impact of changes in foreign exchange rate	1,945	2,196	-	4,141
Changes in other non-cash items				
Amortisation of convertible bonds	-	-	35	35
Conversion of convertible bonds	-	-	(18,089)	(18,089)
December 31, 2018	$ 139,613	$ 960,000	$ -	$ 1,099,613

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

Names of related parties	Relationship with the Company
Pri-One Marketing Co., Ltd.	Associate
Fantasy Fish Digital Games Co., Ltd.	〃
GungHo Gamania Co., Limited	〃
Jsdway Digital Technology Co., Ltd. (Jsdway)	〃
UniCube Co., Ltd.	〃

Names of related parties	Relationship with the Company
Digicentre Company Limited (Note 1)	Subsidiary (Associate)
Digicentre (HK) Company Limited (Note 1)	〃
Firedog Create Company Ltd.	Associate
NOWnews Network Co., Ltd. (Note 2)	Subsidiary (Associate)
Aotter Inc.	Associate
Fantasy Fish Digital Games (HK) Co., Ltd.	〃
Walker media Co., Ltd.	〃
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	〃
Polysh Co., Ltd.	〃

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

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

(3) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2019	2018
Sales of goods:		
Associates	$ 1,956	$ 10,324
Other related parties	162,948	39,000
	$ 164,904	$ 49,324
Sales of services:		
Associates	$ 38,061	$ 36,273
Other related parties	77,899	78,258
	$ 115,960	$ 114,531

Sales of goods are on-line games revenue generated from prepaid cards sold by associates and construction revenue of IDC server room 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-added service provided to related parties, customer services, production of advertisements, and providing IDC service that are in accordance with mutual agreements.

B. Operating costs

	Years ended December 31,	
	2019	2018
Costs of customer service hotline:		
Associates	$ -	$ 77,516
Mobile service costs:		
Associates	210	22,668
Programs cost:		
Associates	1,236	1,706
Other related parties	6	-
Advertising costs:		
Associates	630	408
Other operating costs:		
Associates	93	-
	$ 2,175	$ 102,298

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)

	Years ended December 31,	
	2019	2018
Other related parties	$ 95	$ 471
Associates	22,396	34,283
	$ 22,491	$ 34,754

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)

	Years ended December 31,	
	2019	2018
Other related party		
Gamania Cheer Up Foundation	$ 29,300	$ 51,700

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)

	Years ended December 31, 2019	Years ended December 31, 2018
Associates	$ 23	$ 8,828
Other related parties	344	-
	$ 367	$ 8,828

Rental revenue arose from leasing offices to associates and other related parties. 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

	December 31, 2019	December 31, 2018
Accounts receivable:		
Associates	$ 23	$ 5,209
Other related parties	6,679	46,495
	$ 6,702	$ 51,704
Other receivables:		
Associates	$ 1,456	$ 13,657
Other related parties	66	-
	$ 1,522	$ 13,657

Accounts receivable are mainly from Service revenue, advertising revenue and IDC services. Accounts receivable are not pledged as collateral, do not bear interest and have no provision.

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

G. Payables

	December 31, 2019	December 31, 2018
Accounts payable:		
Associates	$ 297	$ 9,677
Other payables:		
Associates	$ 4,356	$ 30,602
Other related parties	94,322	127,313
	$ 98,678	$ 157,915

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-added 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

	Years ended December 31,	
	2019	2018
Associates	$ -	$ 17,720

As of December 31, 2019 and 2018, the unpaid amounts were both $0.

(b) Disposal of property, plant and equipment

	Years ended December 31,			
	2019		2018	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Associates	$ -	$ -	$ 334	$ 61

As of December 31, 2019 and 2018, the proceeds from disposal of property, plant and equipment that have not yet been received both amounted to $0.

(c) Acquisition of other assets

	Years ended December 31,	
	2019	2018
Associates	$ -	$ 25,642

As of December 31, 2019 and 2018, the unpaid amount was $0 and $20,381, respectively.

I. Leasing arrangements - lessee

In January 2019, the Group leased offices from Jsdway and right-of-use assets was recognised in the amount of $672 in accordance with IFRS 16. As of December 31, 2019, the carrying amount of right-of-use assets and lease liabilities amounted to $448 and $451, respectively. For the year ended December 31, 2019, the Group recognised interest expense amounting to $8.

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.

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

(4) Key management compensation

	Years ended December 31,	
	2019	2018
Short-term employee benefits	$ 123,988	$ 199,030
Post-employment benefits	324	324
Share-based payments	38,261	104,288
	$ 162,573	$ 303,642

8. PLEDGED ASSETS

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

	Book value		
Pledged assets	December 31, 2019	December 31, 2018	Pledge purpose
Demand deposits (shown in "other current asset")	$ 140,923	$ 30,000	Guarantee for short-term borrowing facility and performance bond of on-line game card's standard contracts
Demand deposits (shown in "other non-current asset")	28,363	21,908	Trusted electronic payment accounts
Time deposits (shown in "other current assets")	40,185	123,903	Guarantee for short-term borrowing facility and credit card merchant
Property, plant and equipment			
Land	2,246,082	2,140,661	Short-term and long-term loans / Credit lines
Buildings and structures	264,842	235,134	Short-term and long-term loans / Credit lines
	$ 2,720,395	$ 2,551,606	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

In addition to the appropriation of 2019 earnings as described in Note 6(24), other significant items as resolved by the Board of Directors on March 12, 2020 are provided as follows:

(1) The Company plans to increase its capital in the subsidiary, Gamania Asia, in the amount of $1,500, and Gamania Asia plans to increase its capital in One Production Film Co., Ltd. in the amount of $1,543. The Group's shareholding ratio in Gamania Asia is still 100% and Gamania Asia's shareholding ratio in One Production Film Co., Ltd. drops to 3.52%, when the capital increase is

completed.

(2) The Company plans to increase its capital in the subsidiary, JollyBuy in the amount of $50,000 in order to meet the subsidiary's capital requirement. The Company's shareholding ratio in JollyBuy is 96.37% when the capital increase is completed.

(3) The Company plans to increase its capital in the subsidiary, Ciirco in the amount of $40,000 in order to meet the subsidiary's capital requirement. The Company's shareholding ratio in Ciirco is 99.77% when the capital increase is completed.

(4) The Company plans to increase its capital in the subsidiary, NOWnews, under a limit of $60,000 as of December 31, 2020 in order to meet the subsidiary's capital requirement. The Company's shareholding ratio in NOWnews is 81.24% when the capital increase is completed.

(5) To integrate Group resource, the Company plans to acquire 682 thousand shares from the original shareholders of Coture based on the net assets of Coture and the total consideration amounted to $676. The Company's shareholding ratio in Coture will be increased to 98%, equivalent to 13,631 thousand shares, when the acquisition is completed.

(6) Taking into consideration the Group's business development and resource allocation plan, the Company plans to dispose its 15% equity interest in NC Taiwan Co., Ltd. for a consideration not lower than $295,000.

(7) The Company plans to donate to Gamania Cheer Up Foundation in the amount of $25,000 to fulfil its capital reequipment on project activities.

(8) In order to encourage employees and strengthen coherence of the Company, the Company plans to repurchase 3,000,000 shares as treasury stock at a price between $40 to $58 (in dollars) per share from March 13, 2020 to May 12, 2020 which will be transferred to employees. The Company will continually repurchase the shares if the stock price is lower than $40. The total number of the aforementioned repurchased shares accounted for 1.71% of the issued shares of the Company.

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

	December 31, 2019	December 31, 2018
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ 200,150
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 553,533	$ 461,952
Financial assets at amortised cost		
Cash and cash equivalents	$ 2,202,733	$ 2,796,729
Notes receivable	511	1,452
Accounts receivable (including related parties)	1,074,176	972,759
Other receivables (including related parties)	371,876	415,271
Guarantee deposits paid	40,436	34,354
Other financial assets	209,471	175,811
	$ 3,899,203	$ 4,396,376
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 748,179	$ 139,613
Notes payable	1,237	2,441
Accounts payable (including related parties)	541,036	644,441
Other accounts payable (including related parties)	1,676,706	1,930,056
Long-term borrowings (including current portion)	400,000	960,000
Guarantee deposits received	10,021	10,297
	$ 3,377,179	$ 3,686,848
Lease liability (including related parties)	$ 59,851	$ -

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

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

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

(Foreign currency: Functional currency)	December 31, 2019 Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 14,856	29.980	$ 445,383
HKD:NTD	8,776	3.849	33,779
HKD:USD (Note)	98,071	0.128	377,518
USD:HKD (Note)	9,846	7.789	295,182
Non-monetary items			
USD:NTD	27,502	29.980	824,507
KRW:NTD	609,623	0.0262	15,972
JPY:NTD	104,011	0.276	28,707
HKD:USD (Note)	57,555	0.128	221,550
USD:HKD (Note)	113	7.789	3,403
Financial liabilities			
Monetary items			
USD:NTD	10,412	29.980	312,152
HKD:NTD	1,364	3.849	5,250
EUR:NTD	300	33.590	10,077
USD:HKD (Note)	2,512	7.789	75,309

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

(Foreign currency: Functional currency)	December 31, 2018 Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 35,594	30.715	$ 1,093,270
HKD:NTD	4,931	3.291	19,334
HKD:USD (Note)	67,233	0.128	263,708
NTD:USD	382	0.033	382
USD:HKD (Note)	3,499	7.834	107,472
Non-monetary items			
USD:NTD	23,117	30.715	710,039
KRW:NTD	484,483	0.028	13,469
JPY:NTD	100,946	0.278	28,083
HKD:USD (Note)	30,162	0.128	118,304
EUR:USD (Note)	694	1.146	24,443
RMB:USD (Note)	536	0.146	2,396
USD:HKD (Note)	109	7.834	3,355
Financial liabilities			
Monetary items			
USD:NTD	11,091	30.715	340,660
HKD:USD (Note)	2,086	0.128	8,182

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

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2019 and 2018 amounted to $15,625 and $28,559, respectively.

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

	Year ended December 31, 2019		
	Sensitivity analysis		
(Foreign currency: Functional currency)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 4,454	$ -
HKD:NTD	1%	338	-
HKD:USD (Note)	1%	3,775	-
USD:HKD (Note)	1%	2,952	-
Financial liabilities			
Monetary items			
USD:NTD	1%	3,122	-
HKD:NTD	1%	53	-
EUR:NTD	1%	101	-
USD:HKD (Note)	1%	753	-

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

	Year ended December 31, 2018		
	Sensitivity analysis		
(Foreign currency: Functional currency)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 10,933	$ -
HKD:NTD	1%	193	-
HKD:USD (Note)	1%	2,637	-
NTD:USD (Note)	1%	4	-
USD:HKD (Note)	1%	1,075	-
Financial liabilities			
Monetary items			
USD:NTD	1%	3,407	-
HKD:USD (Note)	1%	82	-

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 financial assets at fair value through profit or loss 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 by 1% with all other variables held constant for the years ended December 31, 2019 and 2018, other components of equity would have increased by $0 and $2,002, respectively, as a result of non-operating income classified as equity investment at fair value through profit or loss, and other components of equity would have increased by $5,535 and $$4,620, 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 years ended December 31, 2019 and 2018, the Group's borrowings at variable rate were denominated in NTD and RMB.

ii. At December 31, 2019 and 2018, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2019 and 2018 would have been $115 and $163 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. In line with credit risk management procedure, 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 wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2019, the Group has no written-off financial assets that are still under recourse procedures.

vii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and other accounts receivable. On December 31, 2019 and 2018, the provision matrix is as follows:

	December 31, 2019		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~0.10%	$ 1,329,752	$ 442
Up to 30 days	0.07%~1.46%	18,933	276
31 to 60 days	0.79%~6.31%	14,746	164
61 to 90 days	15.19%~20%	4,971	417
91 to 121 days	26.89%~36.93%	2,449	904
Over 121 days	48.31%~100%	183,978	114,798
		$ 1,554,829	$ 117,001

	December 31, 2018		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~0.99%	$ 1,199,641	$ 426
Up to 30 days	1.38%~3.78%	33,284	393
31 to 60 days	1.42%~19.64%	10,299	479
61 to 90 days	4.77%~20.20%	10,864	540
91 to 121 days	21.73%~83.74%	4,188	886
Over 121 days	53.47%~100%	181,015	113,898
		$ 1,439,291	$ 116,622

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 receivables are as follows:

	2019	
	Accounts receivable	Other receivables
At January 1	$ 150,047	$ 66,405
(Reversal of) provision for impairment	(3,584)	4,088
Effect of exchange rate changes	-	(125)
At December 31	$ 146,463	$ 70,368

	2018	
	Accounts receivable	Other receivables
At January 1	$ 206,732	$ 2,723
Provision for (reversal of) impairment loss	5,269	(1,115)
Effect of increase in consolidated entities	2,665	-
Effect of exchange rate changes	198	(20)
Allowance for doubtful accounts receivable reclassified to other receivables	(64,817)	64,817
At December 31	$ 150,047	$ 66,405

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the capital management department. Group treasury monitors rolling forecasts of the Group’s liquidity requirements to ensure that it has sufficient cash to meet operational needs.

ii. The table below is the Group’s non-derivative financial liabilities which is presented based on the remaining period at the balance sheet date to the contract maturity date and undiscounted maturity amount based on the maturity date.

Non-derivative financial liabilities

December 31, 2019	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	$ 748,179	$ -	$ -
Notes payable	1,238	-	-
Accounts payable	584,551	-	-
Accounts payable - related parties	297	-	-
Other payables	1,534,215	-	-
Other payables - related parties	98,678	-	-
Lease liabilities	24,966	32,493	3,352
Long-term borrowings (including current portion)	164,760	242,940	-

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

(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. Financial instruments not measured at fair value.

The carrying amounts of cash and cash equivalent, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other current assets guarantee deposits paid, notes payable, accounts payable (including related parties) and other payables (including related parties), lease liabilities and guarantee deposits received, are reasonable approximate to the fair values.

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

December 31, 2019	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	$ 107,123	$ -	$ 446,410	$ 553,533

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss - current				
Open-end fund	$ 200,150	$ -	$ -	$ 200,150
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	$ 4,150	$ -	$ 457,802	$ 461,952

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

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

	Open-end fund	Listed (OTC) and emerging stocks
Market quoted price	Net asset 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.

E. For the years ended December 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2019 and 2018:

	Equity securities	
	2019	2018
At January 1	$ 457,802	$ 524,653
Losses recognised in other comprehensive income or loss	(13,057)	(61,300)
Acquired during the year	3,000	-
Transfers into investments accounted for using equity method	-	(7,286)
Effects of foreign exchange	(1,335)	1,735
At December 31	$ 446,410	$ 457,802

	Embedded derivatives	
	2019	2018
At January 1	$ -	$ 5
Losses recognised in profit or loss (Note)	-	(5)
At December 31	$ -	$ -

Note: Shown as other gains and losses.

G. Hagame International Co., Ltd. has been derecognised from Level 3 due to its dissolution in September 2019. Please refer to Note 6(7)C for the details of the investments of Gamania Asia financial assets at fair value through other comprehensive income transferred into investments accounted for using equity method, in 2018.

H. 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.

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

	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	$ 446,410	Market comparable companies	Price to book ratio multiple	1.88 (1.88)	The higher the multiple, the higher the fair value
			Enterprise value to operating income ratio multiple	20.85~37.09 (35.89)	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 and non-OTC 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

J. 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:

			December 31, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 113	($ 113)
	Enterprise value to operating income ratio multiple	±1%	-	-	3,507	(3,507)
	Discount for lack of marketability	±1%	-	-	3,889	(3,889)

	Input	Change	December 31, 2018			
			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%	$ -	$ -	$ 222	($ 222)
	Enterprise value to operating income ratio multiple	±1%	-	-	3,528	(3,528)
	Discount for lack of marketability	±1%	-	-	4,020	(4,020)

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: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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, 2019 and 2018 is as follows:

Year ended December 31, 2019

	Gamania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	$ 6,890,364	$ 324,830	$ 2,466,151	$ 9,681,345	
Inter-segment revenue	121,150	331,891	794,880	1,247,921	Note 1
Segment operating profit (loss)	1,325,732	28,757	(94,455)	1,260,034	
Segment profit (loss), net of tax	887,895	42,347	(65,624)	864,618	
Segment profit (loss) includes:					
Depreciation and amortisation	(217,542)	(7,669)	(106,776)	(331,987)	
Income tax expense	(261,960)	(11,100)	(40,729)	(313,789)	
Investment (loss) income accounted for using equity method	(194,952)	14,601	109,760	(70,591)	Note 2

Year ended December 31, 2018

	Gamania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	$ 12,410,405	$ 399,506	$ 1,525,037	$ 14,334,948	
Inter-segment revenue	145,873	379,660	193,289	718,822	Note 1
Segment operating profit (loss)	2,320,999	20,668	(299,301)	2,042,366	
Segment profit (loss), net of tax	1,759,973	20,777	(86,765)	1,693,985	
Segment profit (loss) includes:					
Depreciation and amortisation	(195,173)	(6,613)	(59,501)	(261,287)	
Income tax expense	(446,282)	(10,604)	(6,738)	(463,624)	
Investment (loss) income accounted for using equity method	(263,899)	3,621	197,970	(62,308)	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.

(5) Information on product and service

Details are provided in Note 6(26).

The reportable segments of the Group are based on different companies. The reconciliation with (Note 6(26)) operating revenue is as follows:

	Year ended December 31, 2019			
	Gamania Digital Entertainment Co., Ltd.	Gash point and Gash Point (Hong Kong) company Limited	Others	Total
Online and mobile games revenue	$ 6,852,571	$ -	$ 520,462	$ 7,373,033
Service revenue	37,793	-	1,722,900	1,760,693
Revenue from stored-values	-	324,830	18,942	343,772
Others	-	-	203,847	203,847
	$ 6,890,364	$ 324,830	$ 2,466,151	$ 9,681,345

	Year ended December 31, 2018			
	Gamania Digital Entertainment Co., Ltd.	Gash point and Gash Point (Hong Kong) company Limited	Others	Total
Online and mobile games revenue	$ 12,376,782	$ -	$ 236,136	$ 12,612,918
Service revenue	33,623	-	1,120,265	1,153,888
Revenue from stored-values	-	399,506	21,295	420,801
Others	-	-	147,341	147,341
	$ 12,410,405	$ 399,506	$ 1,525,037	$ 14,334,948

(6) Geographical information

Geographical information for the years ended December 31, 2019 and 2018 is as follows:

	Year ended December 31, 2019		Year ended December 31, 2018	
	Revenue	Non-current asset	Revenue	Non-current asset
Taiwan	$ 8,714,793	$ 3,270,813	$ 13,697,583	$ 3,260,038
Asia	966,552	55,109	637,365	16,838
Others	-	-	-	18
	$ 9,681,345	$ 3,325,922	$ 14,334,948	$ 3,276,894

(7) Major customer informaation

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2019 and 2018.

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2019

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2019	Outstanding endorsement/ guarantee amount at December 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	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	Hapod Digital Technology Co., Ltd.	3	$ 526,481	$ 157,050	$ -	$ -	$ -	0.00	$ 1,754,936	Y	N	N	Note 3
0	The Company	Jollywiz Digital Technology Co., Ltd.	3	526,481	30,000	-	-	-	0.00	1,754,936	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	3	213,841	59,860	34,574	34,574	-	0.06	213,841	Y	N	Y	Note 4
2	Achieve Made International (BVI)	Jollywiz Digital Technology Co., Ltd.	3	157,156	40,000	40,000	20,000	20,000	0.10	157,156	Y	N	N	Note 4

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: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

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: Under the amendment to the endorser's/guarantor's "Procedures for Loans to Others and Provision of Endorsements and Guarantees" as resolved by the Board of Directors on December 25, 2019, limit on total endorsements is 40% of the endorser's/guarantor's net assets, and limit on endorsements to the same party is 40% of the endorser's/guarantor's net assets. However, the amendment to the endorser's/guarantor's "Procedures for Loans to Others and Provision of Endorsements and Guarantees" is still pending for approval from the shareholders.

Note 5: 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)

December 31, 2019

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	As of December 31, 2019 Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	Footnote
The Company	XPEC Entertainment Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	4,907	$ 26,941	2.67	$ 26,941	
The Company	NC Taiwan Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	2,100	324,797	15.00	324,797	
The Company	Microprogram Information Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	1,739	25,894	5.42	25,894	
The Company	Life Plus Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	3,000	11,302	9.09	11,302	
The Company	Pili International Multimedia Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	1,958	74,893	3.82	74,893	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	388	32,230	3.57	32,230	
Gamania Asia Investment Co., Ltd.	Gokube Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	400	3,000	3.36	3,000	
Gamania International Holdings Ltd.	Vantage Metro Limited - stock	None	Financial assets at fair value through other comprehensive income - non-curent	192	29,445	2.59	29,445	
Gamania International Holdings Ltd.	Ikala Global Online Corp. - stock	None	Financial assets at fair value through other comprehensive income - non-curent	27,831	25,031	3.43	25,031	

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

Purchases or sales of goods from or to related parties in excess of $100 million or 20% of capital

Year ended December 31, 2019

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts	Footnote
Gash Point Co., Ltd.	The Company	Parent company	Service revenue	$ 267,319	45.84%	Note	Note	Note	$ 15,338	1.97%	
Conetter CoMarketing Co., Ltd.	The Company	Parent company	Advertising revenue	181,967	45.70%	Note	Note	Note	23,965	36.76%	
Digicentre Co., Ltd.	The Company	Parent company	Operating revenue	155,601	26.15%	Note	Note	Note	28,345	18.28%	

Note: The aforementioned purchase term is based on the product types, market competition and other transaction terms, there is no similar transaction to compare with for the transaction price and credit term with related parties.

Gamania Digital Entertainment Co., Ltd. and subsidiaries

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

December 31, 2019

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of December 31, 2019	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action adopted for overdue accounts	Amount collected subsequent to the balance sheet date （Note 1）	Allowance for doubtful accounts	Footnote
The Company	Gash Point Co., Ltd.	Subsidiary	$ 359,995	82.31%	$ -	-	$ 359,995	30,423	Note 2
Gamania Digital Entertainment (H.K.) Co., Ltd.	HaPod Digital Technology Co., Ltd.	Same ultimate parent company	141,092	-	-	-	-	-	Note 3

Note 1: The subsequent collections represent collections from the balance sheet date to March 12, 2020.
Note 2: Receivables for selling game cards through the subsidiary.
Note 3: Receipts under custody for mobile games.

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting period

Year ended December 31, 2019

Table 5

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)
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Accounts receivable	$ 12,587	Note 5	0.14
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	51,489	Note 5	0.53
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	359,995	Note 5	3.89
0	The Company	Gash Point Co., Ltd.	1	Other receivables	27,733	Note 5	0.30
0	The Company	Gash Point Co., Ltd.	1	Operating revenue	12,507	Note 5	0.13
0	The Company	HaPod Digital Technology Co., Ltd.	1	Other receivables	56,327	Note 5	0.61
0	The Company	HaPod Digital Technology Co., Ltd.	1	Service revenue	12,632	Note 5	0.13
0	The Company	GASH POINT (HK) Co., Ltd.	1	Other receivables	16,151	Note 5	0.17
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	25,781	Note 5	0.28
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Sales revenue	52,082	Note 5	0.54
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	HaPod Digital Technology Co., Ltd.	3	Other receivables	141,092	Note 5	1.52
2	Gash Point Co., Ltd.	The Company	2	Other receivables	15,338	Note 5	0.17
2	Gash Point Co., Ltd.	The Company	2	Service revenue	267,319	Note 5	2.76
2	Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	3	Refundable deposits	10,000	Note 5	0.11
3	Ants’ Power Co., Ltd.	The Company	2	Accounts receivable	47,255	Note 5	0.51

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting period

Year ended December 31, 2019

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of total operating revenues or total assets (Note 3)
3	Ants' Power Co., Ltd.	The Company	2	Operating revenue	$ 86,095	Note 5	0.89
3	Ants' Power Co., Ltd.	Achieve Made International Ltd.	3	Operating revenue	27,755	Note 5	0.29
3	Ants' Power Co., Ltd.	BeanGo! Co., Ltd.	3	Operating revenue	12,369	Note 5	0.13
3	Ants' Power Co., Ltd.	Gash Point Co., Ltd.	3	Operating revenue	11,128	Note 5	0.11
4	Digicentre Company Limited	The Company	2	Accounts receivable	28,345	Note 5	0.31
4	Digicentre Company Limited	The Company	2	Operating revenue	155,601	Note 5	1.20
4	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	65,414	Note 5	0.71
4	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Service revenue	73,056	Note 5	0.75
5	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Service revenue	17,778	Note 5	0.18
6	Achieve Made International Ltd.	JollyBuy Digital Technology Co., Ltd.	3	Sales revenue	10,142	Note 5	0.10
7	HaPod Digital Technology Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Accounts receivable	73,689	Note 5	0.80
7	HaPod Digital Technology Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Revenue from royalties	73,689	Note 5	0.76
8	Conetter CoMarketing Co., Ltd.	The Company	2	Accounts receivable	23,965	Notes 4 and 5	0.26
8	Conetter CoMarketing Co., Ltd.	The Company	2	Advertising revenue	181,967	Notes 4 and 5	1.88

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting period

Year ended December 31, 2019

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of total operating revenues or total assets (Note 3)
8	Conetter CoMarketing Co., Ltd.	HaPod Digital Technology Co., Ltd.	3	Advertising revenue	56,267	Notes 4 and 5	0.58
9	GASH POINT (HK) Co., Ltd.	Gamania Digital Entertainment (H.K.) Co.,	2	Service revenue	10,025	Note 5	0.10
10	Gamania Internation Holdings Ltd	The Company	2	Other receivables	11,636	Note 5	0.13

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 ; fill in the number of category each case belongs to (if transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):
(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)

Year ended December 31, 2019

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1) Balance as at December 31, 2019	Original investment cost (Note 1) Balance as at December 31, 2018	Shares held as at December 31, 2019 Number of shares	Shares held as at December 31, 2019 Percentage	Shares held as at December 31, 2019 Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	$ 2,427,490	$ 2,427,490	46,278,315	100.00	$ 684,707	$ 72,077	$ 73,227	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	239,549	226,549	18,900,000	100.00	187,052	(25,781)	(25,781)	
The Company	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	(113)	(113)	Note 8
The Company	Jollybuy Digital Technology Co., Ltd.	Taiwan	E-commerce operations	430,000	377,000	13,600,000	95.10	48,149	(71,484)	(68,704)	Note 2
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	348,989	29,969	18,830	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	6,290	(84)	(43)	
The Company	Gash Point Co., Ltd.	Taiwan	Software information and supply of electronic services	169,000	169,000	13,500,000	90.00	243,433	25,980	23,382	
The Company	Indiland Co., Ltd.	Taiwan	IP Commodities authorisation	40,000	40,000	50,000	100.00	131	(108)	(108)	
The Company	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	-	20,000	-	-	-	(60)	(20)	Note 5
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	68,561	42,352	42,352	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	30,000	30,000	3,000,000	19.35	10,241	(19,110)	(3,699)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	44,040	373,529	93.38	381	(4,533)	(4,212)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and gerneral advertising services	203,500	193,500	12,949,204	93.08	12,843	(12,985)	(12,018)	
The Company	MadSugr Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	45,900	45,900	4,590,000	51.00	3,286	(180)	(92)	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Third party payment	569,229	340,000	40,714,288	67.86	295,565	(109,308)	(65,479)	
The Company	Coco Digital Technology Co., Ltd.	Taiwan	Software services and sales	10,033	10,033	921,700	100.00	9,795	27	27	
The Company	NOWnews Network Co., Ltd.	Taiwan	Producing TV programs and general advertising services	378,291	337,867	25,346,973	77.79	271,114	(44,754)	(48,652)	
The Company	Petsmao Co., Ltd.	Taiwan	Sales of petfood and other goods	-	18,750	-	-	-	-	-	Note 5
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	210,000	120,000	11,000,000	100.00	3,748	(84,392)	(84,392)	

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Information on investee companies (not including investees in Mainland China)

Year ended December 31, 2019

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Original investment cost (Note 1)		Shares held as at December 31, 2019					
Company	Name of investee	Location	Main business activities	Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	$ 169,400	$ 139,400	10,965,714	99.69	$ 21,312	($ 35,841)	($ 35,711)	
The Company	4-Way Voice Cultural Co., Ltd.	Taiwan	Newspaper and magazine publishing	1,900	1,900	190,000	38.00	640	(469)	(178)	
The Company	Walkermedia Co., Ltd.	Taiwan	Publishing of magazines and general advertising services	30,000	-	3,000,000	30.00	26,431	(11,896)	(3,569)	
Jollybuy Digital Technology Co., Ltd.	Polysh Co., Ltd.	Taiwan	Supply of electronic services	10,000	10,000	125,000	20.00	8,720	46	9	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services and sales	1,152	1,152	300,000	100.00	6,315	2,819	2,819	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services and sales	8,994	-	300,000	100.00	8,880	(690)	(690)	
Coco Digital Technology Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Hong Kong	Software services and sales	-	24,634	-	-	-	(133)	(133)	Note 4
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Hong Kong	Software services and sales	44,970	37,475	1,500,000	100.00	6,236	(7,863)	(7,863)	
Gamania Asia Investment Co., Ltd.	Pri-One Commercial Production Co., Ltd.	Taiwan	Sales and research and development of software	1,500	1,500	150,000	30.00	2,979	2,279	684	
Gamania Asia Investment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Sales and research and development of software	22,211	22,211	3,889,935	44.08	27,939	(26,072)	(11,493)	
Gamania Asia Investment Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	55,125	55,125	5,250,000	36.76	48,785	(1,761)	(196)	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	48,931	34,810	3,871,344	29.54	25,281	(45,445)	(13,356)	
Gamania Asia Investment Co., Ltd.	China Post	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	-	(219)	(219)	
Gamania Asia Investment Co., Ltd.	Bjolly Digital Co., Ltd.	Taiwan	E-commerce operations	5,000	5,000	45,455	2.27	4,609	(9,643)	(219)	
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	23,356	(5,121)	(1,100)	

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Information on investee companies (not including investees in Mainland China)

Year ended December 31, 2019

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1) Balance as at December 31, 2019	Original investment cost (Note 1) Balance as at December 31, 2018	Shares held as at December 31, 2019 Number of shares	Shares held as at December 31, 2019 Percentage	Shares held as at December 31, 2019 Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
Madsugr Digital Technology Co., Ltd.	Madsugr Digital Technology (HK) Co., Ltd.	Hong Kong	Software information and supply of electronic services	$ -	$ 12,762	-	-	$ -	$ 23	$ 23	Note 6
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Software information and supply of electronic services	38,640	38,640	600	100.00	28,707	870	870	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Software information and supply of electronic services	13,657	13,657	750,000	100.00	133,564	16,367	16,367	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Design and sales of software	11,662	11,662	138,268	100.00	15,972	3,341	3,341	
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd.	Taiwan	Software information and supply of electronic services	29,250	29,250	2,625,000	79.98	55,293	15,805	13,236	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Third party payment	150,000	150,000	9,642,857	16.07	69,993	(109,308)	(19,213)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	2,390,005	2,390,005	77,281,128	100.00	699,507	83,886	83,886	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	1,000,615	1,000,615	40,416,628	98.85	222,641	94,509	93,422	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	-	259,927	-	-	-	(1,611)	(1,611)	Notes 3 and 6
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Netherlands	Investment holdings	-	151,155	-	-	-	(226)	(226)	Notes 3 and 4
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	118,421	118,421	30,701,775	100.00	7,316	(2,658)	(2,658)	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,546	9,546	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	BVI	Investment holdings	208,439	187,453	7,297,649	42.06	224,500	14,178	5,269	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,443	1,443	375,000	30.00	-	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	65,956	57,562	2,200,000	100.00	27,461	13,789	13,789	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	146,902	110,177	196	49.00	61,046	(76,883)	(37,673)	

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Information on investee companies (not including investees in Mainland China)

Year ended December 31, 2019

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1) Balance as at December 31, 2019	Original investment cost (Note 1) Balance as at December 31, 2018	Shares held as at December 31, 2019 Number of shares	Shares held as at December 31, 2019 Percentage	Shares held as at December 31, 2019 Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	E-commerce operations	$ 595,000	$ 505,000	25,528,035	100.00	$ 115,639	($ 18,428)	($ 7,751)	
Achieve Made International Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	E-commerce operations	32,729	32,729	17,000,000	86.73	984	(7,753)	(2,828)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Digital Co., Ltd.	Taiwan	E-commerce operations	25,000	25,000	1,045,455	52.27	181	(9,643)	(5,040)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	BVI	Investment holdings	146,902	146,902	4,900,000	100.00	32,217	(3,471)	(3,471)	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	E-commerce operations	10,007	10,007	2,600,000	13.27	151	(7,753)	(1,029)	
Bjolly Digital Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Producing TV programs and general advertising services	10,000	-	515,000	1.58	10,000	(44,754)	-	Note 7
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Software services and sales	-	258,727	-	-	-	(793)	(793)	Notes 3 and 4
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Netherlands	Software services and sales	-	151,155	-	-	-	(224)	(224)	Notes 3 and 4
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	1,184,810	1,184,810	39,520,000	100.00	2,296	(2,943)	(2,943)	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	98,150	98,150	25,500,000	100.00	212,855	97,623	97,623	

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 JollyBuy 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., Gamania Digital Entertainment (U.S.) Co., Ltd., Gamania Netherlands Holdings Cooperatief U.A. and Gamania Digital Entertainment (Europe) B.V. was completed. Please refer to Note 4(3)B for the details.
Note 5: The liquidation of Petsmao Co., Ltd. and Machi Pictures Co., Ltd. was completed. Please refer to Note 6(8) for the details.
Note 6: As of the end of December, Gamania Western Holdings Ltd. and Madsugr Digital Technology (HK) Co., Ltd. are still under liquidation while the funds have been remitted back.
Note 7: Bjolly Digital Co., Ltd. participated in the capital increase raised by NOWnews. Please refer to Note 4(3) B for more information.
Note 8: Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Gamania Digital Entertainment Co., Ltd. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2019

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

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 from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	$ 1,058,294	2	$ 775,583	$ -	$ -	$ 775,583	($ 2,703)	98.85	($ 2,672)	($ 286)	$ -	Notes 3 and 6
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	2	44,970	-	-	44,970	-	-	-	-	-	Notes 4 and 7
Legion Technology (Shanghai) Co., Ltd.	E-commerce operations	118,421	2	118,421	-	-	118,421	(1,127)	42.06	(474)	39,260	-	Notes 5 and 8
Jollywiz Digital Business Co., Ltd.	E-commerce operations	21,525	2	-	-	-	-	(671)	42.06	(282)	16,690	-	Notes 5 and 8
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd.	Sales of agricultural productrs	14,990	2	-	-	-	-	-	38.66	-	-	-	Notes 5 and 9

Note 1: The methods for engaging in investment in Mainland China include the following:

(1) Direct investment in Mainland China.

(2) Fndirectly investment in Mainland China through companies registered in a thired region.

(3) Other methods.

Note 2: The accumulated remittance as of January 1, 2019, remitted or collected this period, accumulated as of December 31, 2019 was translated into New Taiwan Dollars at the average exchange rate of NTD29.98 to US$1 and NTD4.305 to RMB$1 at the balance sheet date.

Note 3: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the nine month ended December 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 4: 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 December 31, 2019.

Note 5: Investment income or losses are recognised based on unaudited financial statements.

Note 6: It was invested through Gamania Sino Holdings Ltd invested.

Note 7: It was invested through Gamania R&D (HK) Holdings Limited invested.

Note 8: It was invested through Cyber Look Properties Limited invested.

Note 9: It was invested through ACCI Group Limited and Gamania Digital Entertainment (H.K.) Co., Ltd. invested.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company (Note 1)	$ 820,553	$ 1,376,472	$ 3,178,436
Jollywiz Digital Technology Co., Ltd. (Note 2)	118,421	118,421	178,027

Note 1: The total investment amount approved by the Investment Commission, MOEA, was USD45,913 thousand or $1,376,472 based on 29.98 spot exchange rate at December 31, 2019.

Note 2: Ceiling of $126,693 is calculated based on Jollywiz Digital Technology Co., Ltd.'s net assets as of December 31, 2019. The ceiling on investments was $178,027 when applying for approval for investments. Investment amount was translated based on 29.98 spot exchange rate at December 31, 2019.