

**GAMANIA DIGITAL ENTERTAINMENT CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
MARCH 31, 2021 AND 2020**

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



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INDEPENDENT AUDITORS' REVIEW REPORT

PWCR21000011

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and subsidiaries (the "Group") as at March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4(3)B and 6(8), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method were not reviewed by independent auditors. Total assets (including investments accounted for under equity method) amounted to \$2,229,540 thousand and \$2,929,953 thousand, constituting 22% and 30% of the consolidated total assets as at March 31, 2021 and 2020, respectively, total liabilities amounted to \$796,010 thousand and \$896,316 thousand, constituting 18% and 21% of the consolidated total liabilities as at March 31, 2021

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and 2020, respectively, and the total comprehensive income (loss) (including share of profit (loss) of associates and joint ventures accounted for under equity method) amounted to \$92,597 thousand and (\$17,352) thousand, constituting 31% and (6%) of the consolidated total comprehensive income for the three months then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Lin, Yi-Fan

Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

May 6, 2021

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

Assets	Notes	March 31, 2021		December 31, 2020		March 31, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,665,613	26	\$ 2,397,601	26	\$ 2,448,017	25
1136	Financial assets at amortised cost - current	6(7) and 8	170,905	2	102,626	1	62,310	1
1150	Notes receivable, net	6(2)	445	-	4,533	-	2,216	-
1170	Accounts receivable, net	6(2)	1,131,823	11	944,691	10	1,188,992	12
1180	Accounts receivable - related parties, net	7	9,436	-	13,345	-	11,313	-
1200	Other receivables	6(3)	531,744	5	258,160	3	391,495	4
1210	Other receivables - related parties	7	695	-	2,642	-	1,882	-
1220	Current income tax assets		30,483	-	9,580	-	27,781	-
130X	Inventory	6(4)	142,350	2	125,906	1	107,685	1
1410	Prepayments	6(5)	526,707	5	423,105	5	647,995	7
1470	Other current assets	8	211,817	2	100,446	1	212,095	2
11XX	Total current assets		<u>5,422,018</u>	<u>53</u>	<u>4,382,635</u>	<u>47</u>	<u>5,101,781</u>	<u>52</u>
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	189,075	2	182,953	2	461,339	5
1550	Investments accounted for under equity method	6(8)	191,373	2	205,090	2	241,018	3
1600	Property, plant and equipment	6(9) and 8	2,841,836	28	2,845,436	31	2,849,570	29
1755	Right-of-use assets	6(10)	61,485	1	66,589	1	53,173	1
1780	Intangible assets	6(12)	1,238,471	12	1,411,663	15	884,911	9
1840	Deferred income tax assets		162,891	2	165,441	2	107,872	1
1900	Other non-current assets	6(13)	46,026	-	45,088	-	40,491	-
15XX	Total non-current assets		<u>4,731,157</u>	<u>47</u>	<u>4,922,260</u>	<u>53</u>	<u>4,638,374</u>	<u>48</u>
1XXX	Total assets		<u>\$ 10,153,175</u>	<u>100</u>	<u>\$ 9,304,895</u>	<u>100</u>	<u>\$ 9,740,155</u>	<u>100</u>

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity	Notes	March 31, 2021		December 31, 2020		March 31, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(14)	\$ 298,905	3	\$ 226,148	3	\$ 367,884	4
2130	Current contract liabilities	6(23)	287,618	3	281,129	3	497,282	5
2150	Notes payable		1,211	-	1,211	-	1,238	-
2170	Accounts payable		601,106	6	500,183	5	1,093,967	11
2180	Accounts payable - related parties	7	1,437	-	4,060	-	1,438	-
2200	Other payables	6(15)	2,197,137	22	1,999,733	22	1,456,268	15
2220	Other payables - related parties	7	204,132	2	115,776	1	35,271	-
2230	Current income tax liabilities		306,038	3	193,041	2	195,803	2
2280	Current lease liabilities	7	28,947	-	30,142	-	22,252	-
2300	Other current liabilities	6(16)	234,458	3	228,179	3	239,058	3
21XX	Total current liabilities		<u>4,160,989</u>	<u>41</u>	<u>3,579,602</u>	<u>39</u>	<u>3,910,461</u>	<u>40</u>
Non-current liabilities								
2540	Long-term borrowings	6(17)	40,000	1	80,000	1	200,000	2
2570	Deferred income tax liabilities		67,266	1	66,637	1	60,382	1
2580	Lease liabilities - non-current		32,668	-	36,777	-	31,033	-
2600	Other non-current liabilities		31,292	-	30,148	-	19,806	-
25XX	Total non-current liabilities		<u>171,226</u>	<u>2</u>	<u>213,562</u>	<u>2</u>	<u>311,221</u>	<u>3</u>
2XXX	Total liabilities		<u>4,332,215</u>	<u>43</u>	<u>3,793,164</u>	<u>41</u>	<u>4,221,682</u>	<u>43</u>
Equity attributable to owners of the parent								
Share capital								
3110	Common stock	6(19)	1,754,936	17	1,754,936	19	1,754,936	18
Capital surplus								
3200	Capital surplus	6(20)	1,345,128	14	1,352,471	14	1,289,519	13
Retained earnings								
3310	Legal reserve	6(21)	264,787	2	264,787	3	175,997	2
3320	Special reserve		171,976	2	171,976	2	199,195	2
3350	Unappropriated retained earnings		2,300,606	22	1,992,382	21	1,836,080	19
Other equity interest								
3400	Other equity interest	6(22)	(545,910)	(5)	(551,904)	(6)	(255,764)	(2)
3500	Treasury stocks		-	-	-	-	(91,449)	(1)
31XX	Equity attributable to owners of the parent		<u>5,291,523</u>	<u>52</u>	<u>4,984,648</u>	<u>53</u>	<u>4,908,514</u>	<u>51</u>
36XX	Non-controlling interest	4(3)	<u>529,437</u>	<u>5</u>	<u>527,083</u>	<u>6</u>	<u>609,959</u>	<u>6</u>
3XXX	Total equity		<u>5,820,960</u>	<u>57</u>	<u>5,511,731</u>	<u>59</u>	<u>5,518,473</u>	<u>57</u>
Significant contingent liabilities and unrecorded contract commitments								
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		<u>\$ 10,153,175</u>	<u>100</u>	<u>\$ 9,304,895</u>	<u>100</u>	<u>\$ 9,740,155</u>	<u>100</u>

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended March 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 3,106,547	100	\$ 3,155,080	100
5000	Operating costs	6(4)(28) and 7	(1,884,831)	(61)	(1,927,427)	(61)
5950	Gross profit		<u>1,221,716</u>	<u>39</u>	<u>1,227,653</u>	<u>39</u>
	Operating expenses	6(28) and 7				
6100	Selling expenses		(385,583)	(12)	(295,968)	(10)
6200	General and administrative expenses		(311,644)	(10)	(349,324)	(11)
6300	Research and development expenses		(89,775)	(3)	(72,187)	(2)
6450	Expected credit impairment loss	12(2)	(4,621)	-	(2,303)	-
6000	Total operating expenses		(791,623)	(25)	(719,782)	(23)
6900	Operating income		<u>430,093</u>	<u>14</u>	<u>507,871</u>	<u>16</u>
	Non-operating income and expenses					
7100	Interest income	6(24)	803	-	4,017	-
7010	Other income	6(11)(25) and 7	4,603	-	16,611	1
7020	Other gains and losses	6(26)	6,939	-	(2,503)	-
7050	Finance costs	6(27) and 7	(1,757)	-	(4,014)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(8)	(14,895)	-	(19,908)	(1)
7000	Total non-operating income and expenses		(4,307)	-	(5,797)	-
7900	Profit before income tax		<u>425,786</u>	<u>14</u>	<u>502,074</u>	<u>16</u>
7950	Income tax expense	6(29)	(132,795)	(4)	(135,054)	(4)
8200	Profit for the period		<u>\$ 292,991</u>	<u>10</u>	<u>\$ 367,020</u>	<u>12</u>

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended March 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Other comprehensive income, net					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gain (loss) on investments in equity instruments at fair value through other comprehensive income	6(6)			
				\$ 6,021	- (\$ 92,639) (3)
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss			6,021	- (92,639) (3)
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations			1,849	- 10,822 -
8360	Other comprehensive income that will be reclassified to profit or loss			1,849	- 10,822 -
8300	Total other comprehensive income (loss) for the period			\$ 7,870	- (\$ 81,817) (3)
8500	Total comprehensive income for the period			\$ 300,861	10 \$ 285,203 9
Profit (loss) attributable to:					
8610	Owners of the parent			\$ 308,878	11 \$ 375,521 12
8620	Non-controlling interest			(15,887)	(1) (8,501) -
				\$ 292,991	10 \$ 367,020 12
Comprehensive income (loss) attributable to:					
8710	Owners of the parent			\$ 314,872	10 \$ 291,733 9
8720	Non-controlling interest			(14,011)	- (6,530) -
				\$ 300,861	10 \$ 285,203 9
Earnings per share (in dollars)					
9750	Basic earnings per share	6(30)		\$ 1.76	\$ 2.14
9850	Diluted earnings per share	6(30)		\$ 1.74	\$ 2.11

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
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

Notes	Equity attributable to owners of the parent												Non-controlling interest	Total equity
	Capital Reserves				Retained Earnings				Other Equity Interest					
	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised (loss) gain from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total			
<u>2020</u>														
Balance at January 1, 2020	\$ 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	
Profit (loss) for the period	-	-	-	-	-	-	375,521	-	-	-	375,521	(8,501)	367,020	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	8,851	(92,639)	-	(83,788)	1,971	(81,817)	
Total comprehensive income (loss)	-	-	-	-	-	-	375,521	8,851	(92,639)	-	291,733	(6,530)	285,203	
Change in equity of associates and joint ventures 6(8)														
accounted for under equity method	-	-	-	(1,192)	-	-	(787)	-	-	-	(1,979)	-	(1,979)	
Change in ownership interest in subsidiaries 6(31)	-	-	-	(882)	-	-	-	-	-	-	(882)	30,187	29,305	
Purchase of treasury shares 6(19)	-	-	-	-	-	-	-	-	-	(91,449)	(91,449)	-	(91,449)	
Balance at March 31, 2020	\$ 1,754,936	\$ 886,975	\$ 306,832	\$ 95,712	\$ 175,997	\$ 199,195	\$ 1,836,080	(\$ 64,323)	(\$ 191,441)	(\$ 91,449)	\$ 4,908,514	\$ 609,959	\$ 5,518,473	
<u>2021</u>														
Balance at January 1, 2021	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 92,795	\$ 264,787	\$ 171,976	\$ 1,992,382	(\$ 107,968)	(\$ 443,936)	\$ -	\$ 4,984,648	\$ 527,083	\$ 5,511,731	
Profit (loss) for the period	-	-	-	-	-	-	308,878	-	-	-	308,878	(15,887)	292,991	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	(27)	6,021	-	5,994	1,876	7,870	
Total comprehensive income (loss)	-	-	-	-	-	-	308,878	(27)	6,021	-	314,872	(14,011)	300,861	
Change in equity of associates and joint ventures 6(8)														
accounted for under equity method	-	-	-	1,074	-	-	-	-	-	-	1,074	-	1,074	
Change in ownership interest in subsidiaries 6(31)	-	-	-	(8,417)	-	-	(654)	-	-	-	(9,071)	16,365	7294	
Balance at March 31, 2021	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 85,452	\$ 264,787	\$ 171,976	\$ 2,300,606	(\$ 107,995)	(\$ 437,915)	\$ -	\$ 5,291,523	\$ 529,437	\$ 5,820,960	

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31,	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 425,786	\$ 502,074
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	4,621	2,303
Depreciation	6(9)(10)(28)	40,401	36,411
Amortisation	6(12)(28)	186,849	46,257
Share of loss of subsidiaries and associates accounted for under equity method	6(8)	14,895	19,908
Loss (gain) on disposal of property, plant and equipment	6(26)	44	(224)
Interest income	6(24)	(803)	(4,017)
Interest expense	6(27)	1,757	4,014
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		4,088	(1,705)
Accounts receivable		(190,439)	(122,791)
Accounts receivable - related parties		3,909	(4,611)
Other receivables		(274,898)	(22,171)
Other receivables - related parties		1,947	(360)
Inventories		(16,444)	8,744
Prepayments		(103,602)	(103,361)
Other current assets		(4,731)	10,726
Other non-current assets		431	266
Changes in operating liabilities			
Contract liabilities - current		6,489	162,228
Notes payable		-	1
Accounts payable		100,923	553,228
Accounts payable - related parties		(2,623)	1,141
Other payables		215,758	(56,739)
Other payables - related parties		88,356	(63,407)
Other current liabilities		6,279	28,611
Other non-current liabilities		571	16
Cash inflow generated from operations		509,564	996,542
Interest received		803	4,017
Interest paid		(1,757)	(4,014)
Income tax paid		(37,522)	(7,717)
Net cash provided by operating activities		471,088	988,828

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31,	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets as amortised cost		(\$ 68,279)	(\$ 22,125)
Increase in other financial assets		(106,640)	(40,347)
Acquisition of investments accounted for under equity method	6(8)	-	(27,000)
Acquisition of property, plant and equipment	6(32)	(44,030)	(43,254)
Proceeds from disposal of property, plant and equipment		-	884
Acquisition of intangible assets	6(32)	(15,897)	(104,033)
Proceeds from disposal of intangible assets		-	392
(Increase) decrease in refundable deposits		(1,369)	1,128
Net cash used in investing activities		(236,215)	(234,355)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(33)	72,586	(380,811)
Repayment of long-term debt	6(33)	(40,000)	(40,000)
Acquisition of treasury shares		-	(91,449)
Acquisition of additional equity interest in subsidiaries	6(31)	7,294	-
Increase in guarantee deposits received		573	342
Payment of lease liabilities	6(33)	(7,805)	(6,392)
Net cash provided by (used in) financing activities		32,648	(518,310)
Effect of exchange rate changes on cash and cash equivalents		491	9,121
Net increase in cash and cash equivalents		268,012	245,284
Cash and cash equivalents at beginning of the period		2,397,601	2,202,733
Cash and cash equivalents at end of the period		\$ 2,665,613	\$ 2,448,017

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANISATION

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

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on May 6, 2021.

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 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform - Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

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

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by the International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	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 consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2020, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.
- B. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

(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 at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

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

amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	100	
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment and holding company	100	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment and holding company	98.85	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Joymobeec Entertainment Co., Ltd.	Software services	100	100	100	Notes 1 and 2
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment and holding company	42.71	42.71	42.06	Notes 1, 2 and 3
Gamania International Holdings Ltd. (GIH)	HaPod Digital Technology Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment and holding company	100	100	100	Notes 1 and 2
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design, research and development and sales of software	100	100	100	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Supply of electronic information services	100	100	100	Notes 1 and 2
Achieve Made International Ltd. (AMI)	Jollywiz International (HK) Co., Ltd.	Supply of electronic information services	93.43	93.43	93.43	Notes 1, 2 and 4
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment and holding company	100	100	100	Notes 1 and 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Supply of electronic information services	6.57	6.57	6.57	Notes 1, 2 and 4
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	95.83	95.83	52.27	Notes 1, 2 and 5
Bjolly Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	1.20	1.32	1.58	Notes 1, 2 and 6
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	100	100	100	Notes 1 and 2
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd. (Gamania Asia)	Investment company	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Ciirco Inc. (Ciirco)	Software services	99.87	99.84	99.69	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Foundation Digital Entertainment Co., Ltd. (Foundation)	Publishing of magazines and periodicals	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	JollyBuy Digital Tech. Co., Ltd. (JollyBuy)	Supply of electronic information services	96.37	96.37	96.17	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd. (Two Tigers)	Animation production	51	51	51	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Gash Point)	Information software and supply of electronic information services	90	90	90	
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd. (Ants' Power)	Customer service	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Indiland Co., Ltd. (Indiland)	IP commodities authorisation	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd. (We Backers)	Crowd funding	93.38	93.38	93.38	Notes 1 and 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Gamania Digital Entertainment Co., Ltd.	BeanGo! Co., Ltd. (BeanGo!)	Software services	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	MadSugr Digital Technology Co., Ltd. (MadSugr)	Software services and sales	51	51	51	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd. (Coture New Media)	Online media production	93.08	93.08	93.08	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment services	59.64	67.86	67.86	Notes 2 and 7
Gamania Digital Entertainment Co., Ltd.	Coco Digital Technology Co., Ltd. (Coco)	Software services and sales	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	78.72	78.41	77.79	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Digicentre Company Limited (Digicentre)	Software services	67.48	67.48	67.48	Notes 1 and 2
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Information software and supply of electronic information services	100	100	100	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Information software and supply of electronic information services	100	100	100	Notes 1 and 2
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	Information software and supply of electronic information services	100	100	100	Notes 1 and 2
Gash Point Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment	12.05	16.07	16.07	Notes 2 and 7
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd. (Conetter)	Software services	79.98	79.98	79.98	Notes 1 and 2
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment services	16.25	-	-	Notes 2 and 7
MadSugr Digital Technologies Co., Ltd.	MadSugr Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Software services	100	100	100	Notes 1 and 2
Gamania Asia Investment Co., Ltd	The China Post Co., Ltd.	Newspaper and magazine publishing	100	100	100	Notes 1 and 2
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	4.17	4.17	2.27	Notes 1, 2 and 5
Digicentre Company Limited	Digicentre (HK) Company Limited	Software services	100	100	100	Notes 1 and 2
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd. (Hyperg)	Software services	51	51	51	Notes 1 and 2

Note 1: The financial statements of the entity as of and for the three months ended March 31, 2021 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: The financial statements of the entity as of and for the three months ended March 31, 2020 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: The equity held by the Group was less than 50%. However, as the Group held half of the seats in the Board of Directors, the investee was included in the consolidated financial statements.

Note 4: The Company's subsidiaries, Achieve Made International Ltd. and Jollywiz Digital Technology Co., Ltd., held a 93.43% and 6.57% 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 5: The Company's subsidiaries, Jollywiz Digital Technology Co., Ltd. and Gamania Asia, held a 95.83% and 4.17% equity interest in Bjolly, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 6: On November 29, 2019, Bjolly acquired 1.58% equity interest in NOWnews during the capital increase. In January 2021, April and September 2020, NOWnews increased its capital. However, as Bjolly did not participate in the capital increase, its equity interest in NOWnews has decreased to 1.20%.

Note 7: On January 28, 2021, Gash Point (Hong Kong) Company Limited and the Company participated in the capital increase. Gash Point (Hong Kong) Company Limited acquired 16.25% equity interest in GAMA PAY. Consequently, the equity interest in GAMA PAY of the Company and Gash Point Co., Ltd. decreased to 59.64% and 12.05%, 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 March 31, 2021, December 31, 2020 and March 31, 2020, the non-controlling interest amounted to \$529,437, \$527,083 and \$609,959, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest						Description
		March 31, 2021		December 31, 2020		March 31, 2020		
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 217,887	57.29%	\$ 231,538	57.29%	\$ 299,967	57.94%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	136,060	32.52%	134,837	32.52%	143,943	32.52%	

Note: Registered location of AMI is British Virgin Islands.

Balance sheets

	AMI and subsidiaries		
	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 607,576	\$ 629,323	\$ 695,711
Non-current assets	62,238	68,011	77,735
Current liabilities	(268,920)	(270,192)	(226,295)
Total net assets	<u>\$ 400,894</u>	<u>\$ 427,142</u>	<u>\$ 547,151</u>

	Digicentre Company Limited and subsidiaries		
	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 286,965	\$ 349,387	\$ 313,993
Non-current assets	249,695	253,147	256,200
Current liabilities	(141,011)	(212,876)	(163,205)
Non-current liabilities	(24,606)	(23,152)	(21,771)
Total net assets	<u>\$ 371,043</u>	<u>\$ 366,506</u>	<u>\$ 385,217</u>

Statements of comprehensive income

	AMI and subsidiaries	
	Three months ended March 31,	
	2021	2020
Revenue	\$ 209,476	\$ 202,991
Loss before income tax	(20,051)	(10,766)
Income tax benefit	-	-
Loss for the period	(20,051)	(10,766)
Other comprehensive loss, net of tax	(2,994)	(6,063)
Total comprehensive loss for the period	(\$ 23,045)	(\$ 16,829)
Comprehensive loss attributable to non-controlling interest	(\$ 13,155)	(\$ 7,902)
Dividends paid to non-controlling interest	\$ -	\$ -

	Digicentre Company Limited and subsidiaries	
	Three months ended March 31,	
	2021	2020
Revenue	\$ 223,513	\$ 231,301
Profit before income tax	8,685	13,532
Income tax expense	(3,989)	(3,363)
Profit for the period	4,696	10,169
Other comprehensive income (loss), net of tax	514	(758)
Total comprehensive income for the period	\$ 5,210	\$ 9,411
Comprehensive income attributable to non-controlling interest	\$ 1,758	\$ 3,087
Dividends paid to non-controlling interest	\$ -	\$ -

Statements of cash flows

	AMI and subsidiaries	
	Three months ended March 31,	
	2021	2020
Net cash provided by (used in) operating activities	\$ 9,449	(\$ 11,151)
Net cash provided by (used in) investing activities	490	(10,742)
Net cash (used in) provided by financing activities	(1,354)	19,082
Effect of exchange rate changes on cash and cash equivalents	(3,040)	(5,287)
Increase (decrease) in cash and cash equivalents	5,545	(8,098)
Cash and cash equivalents, beginning of period	109,685	221,074
Cash and cash equivalents, end of period	\$ 115,230	\$ 212,976

<u>Digicentre Company Limited and subsidiaries</u>			
<u>Three months ended March 31,</u>			
	<u>2021</u>		<u>2020</u>
Net cash used in operating activities	(\$ 12,282)	(\$	32,719)
Net cash (used in) provided by investing activities	(4,254)		3,711
Net cash used in financing activities	(36,936)	(2,081)
Effect of exchange rate changes on cash and cash equivalents	<u>30</u>		<u>296</u>
Decrease in cash and cash equivalents	(53,442)	(30,793)
Cash and cash equivalents, beginning of period	<u>134,743</u>		<u>105,176</u>
Cash and cash equivalents, end of period	<u>\$ 81,301</u>	\$	<u>74,383</u>

(4) 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 plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant

curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' 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.

(5) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or

the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilised.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

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

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash on hand and petty cash	\$ 3,234	\$ 4,049	\$ 5,218
Checking accounts and demand deposits	2,055,951	1,698,680	1,428,034
Cash equivalents - time deposits	606,428	694,872	1,014,765
	<u>\$ 2,665,613</u>	<u>\$ 2,397,601</u>	<u>\$ 2,448,017</u>

- A. The Group deals with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Details of the Group's cash and cash equivalents pledged to others as collateral that have been classified as financial assets (shown as 'other current assets') are provided in Note 8.

(2) Notes and accounts receivable

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes receivable	<u>\$ 445</u>	<u>\$ 4,533</u>	<u>\$ 2,216</u>
Accounts receivable	\$ 1,165,703	\$ 982,111	\$ 1,236,904
Less: Loss allowance	(33,880)	(37,420)	(47,912)
	<u>1,131,823</u>	<u>944,691</u>	<u>1,188,992</u>
Overdue receivables (shown as other non-current assets)	106,709	99,824	99,824
Less: Loss allowance	(106,709)	(99,824)	(99,824)
	<u>\$ 1,131,823</u>	<u>\$ 944,691</u>	<u>\$ 1,188,992</u>

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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Not past due	\$ 1,025,584	\$ 867,296	\$ 1,035,613
Up to 30 days	48,251	21,655	101,857
31~60 days	10,770	13,396	28,909
61~90 days	10,788	7,000	7,272
91~120 days	9,363	25,423	5,348
Over 121 days	60,947	47,341	57,905
	<u>\$ 1,165,703</u>	<u>\$ 982,111</u>	<u>\$ 1,236,904</u>

The above ageing analysis was based on past due date.

- B. As at March 31, 2021, December 31, 2020 and March 31, 2020, the Group has no notes receivable past due.
- C. As at March 31, 2021, December 31, 2020, March 31, 2020 and January 1, 2020, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to \$1,272,857, \$1,086,468, \$1,338,944 and \$1,214,448, 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 March 31, 2021, December 31, 2020 and March 31, 2020, 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 \$445, \$4,533 and \$2,216, and accounts receivable was \$1,131,823, \$944,691 and \$1,188,992, respectively.
- F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Other receivables

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Other receivables	\$ 540,471	\$ 265,563	\$ 462,935
Less: Loss allowance	(8,727)	(7,403)	(71,440)
	<u>\$ 531,744</u>	<u>\$ 258,160</u>	<u>\$ 391,495</u>

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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Not past due	\$ 487,746	\$ 221,516	\$ 303,037
Up to 30 days	24,790	11,491	24,505
31 to 60 days	10,354	8,417	3,287
61 to 90 days	7,627	7,110	2,168
91 to 120 days	9	6,390	4,113
Over 121 days	9,945	10,639	125,825
	<u>\$ 540,471</u>	<u>\$ 265,563</u>	<u>\$ 462,935</u>

The above ageing analysis was based on past due date.

B. The Group does not hold any collateral for other receivables. Further, the Group has no other receivables pledged to others as collateral.

C. As at March 31, 2021, December 31, 2020 and March 31, 2020, 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 \$531,744, \$258,160 and \$391,495, respectively.

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

(4) Inventories

	<u>March 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and market value decline</u>	<u>Book value</u>
Merchandise inventory	\$ 144,877	(\$ 2,527)	\$ 142,350
	<u>December 31, 2020</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and market value decline</u>	<u>Book value</u>
Merchandise inventory	\$ 128,333	(\$ 2,427)	\$ 125,906

	<u>March 31, 2020</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	\$ 109,928	(\$ 2,243)	\$ 107,685

Expenses and losses incurred on inventories for the period:

	<u>Three months ended March 31,</u>	
	2021	2020
Cost of goods sold	\$ 190,236	\$ 151,396
Loss on decline in market value	100	116
	<u>\$ 190,336</u>	<u>\$ 151,512</u>

(5) Prepayments

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Prepayments to suppliers	\$ 376,341	\$ 282,162	\$ 497,868
Prepaid expenses	90,868	95,799	101,930
Excess business tax paid	56,242	42,910	47,118
Others	3,256	2,234	1,079
	<u>\$ 526,707</u>	<u>\$ 423,105</u>	<u>\$ 647,995</u>

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

<u>Items</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Non-current items:			
Equity instruments			
OTC stocks	\$ 78,376	\$ 78,376	\$ 78,376
Emerging stocks	20,000	20,000	20,000
Unlisted, non-OTC and non-emerging stocks	538,190	538,190	561,031
	636,566	636,566	659,407
Valuation adjustment	(447,491)	(453,613)	(198,068)
	<u>\$ 189,075</u>	<u>\$ 182,953</u>	<u>\$ 461,339</u>

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 \$189,075, \$182,953 and \$461,339 as at March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

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

	Three months ended March 31,	
	2021	2020
Change of fair value recognised in other comprehensive income (loss)	\$ 6,021	(\$ 92,639)

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

(7) Financial assets at amortised cost

Items	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Time deposit for more than three months	\$ 170,905	\$ 102,626	\$ 62,310

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31,	
	2021	2020
Interest income	\$ 98	\$ 197

B. As at March 31, 2021, December 31, 2020 and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$170,905, \$102,626 and \$62,310, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(8) Investments accounted for under equity method

	2021	2020
At January 1	\$ 205,090	\$ 235,418
Addition of investments accounted for under equity method	-	27,000
Share of loss of investments accounted for under equity method	(14,895)	(19,908)
Changes in capital surplus	1,074	(1,192)
Changes in retained earnings	-	(787)
Effects of foreign exchange	104	487
At March 31	\$ 191,373	\$ 241,018

A. List of long-term investments:

Name of associates	March 31, 2021		December 31, 2020		March 31, 2020	
	Ownership percentage	Balance	Ownership percentage	Balance	Ownership percentage	Balance
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	\$ 57,755	49.00	\$ 59,451	49.00	\$ 53,688
Jsdway Digital Technology Co., Ltd. (Jsdway)	37.18	47,295	37.18	47,492	36.76	48,255
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.)	33.03	29,702	33.03	31,595	33.03	34,379
Walkermedia Co., Ltd. (Walkermedia)	30.00	17,177	30.00	19,425	30.00	24,902
Aotter Inc. (Aotter)	21.48	15,690	21.48	20,956	21.48	23,135
Fantasy Fish Digital Games Co., Ltd. (Fantasy Fish) (Note 1)	44.08	-	44.08	-	44.08	22,720
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.54	11,203	29.54	14,236	29.54	21,366
Store Marais Co., Ltd. (Marais)	7.69	8,691	7.69	8,382	20.00	8,762
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	3,369	30.00	3,017	30.00	3,184
4-Way Voice Cultural Co., Ltd. (4-Way Voice)	38.00	491	38.00	536	38.00	627
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 2)	30.00	-	30.00	-	30.00	-
ACCI Group Limited (ACCI) (Note 2)	30.00	-	30.00	-	30.00	-
Firedog creative Co., Ltd. (Firedog) (Note 2)	40.00	-	40.00	-	40.00	-
		<u>\$ 191,373</u>		<u>\$ 205,090</u>		<u>\$ 241,018</u>

The investments accounted for under equity method are based on financial statements of investees as of and for the three months ended March 31, 2021 and 2020 which were not reviewed by independent auditors.

Note 1: As of March 31, 2021, Fantasy Fish was still under liquidation while the capital had been remitted back.

Note 2: All impairment losses derived from equity investments have been recognised based on the Company's assessment.

B. As of March 31, 2021, December 31, 2020 and March 31, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$191,373, \$205,090 and \$241,018, respectively. The Group's share of the operating results are summarised below:

	Three months ended March 31,	
	2021	2020
Loss for the period	(\$ 14,895)	(\$ 19,908)
Other comprehensive income (loss), net of tax	-	-
Total comprehensive loss	<u>(\$ 14,895)</u>	<u>(\$ 19,908)</u>

- C. There is no price in open market for associates of the Group, therefore, no fair value is applicable.
- D. The Group is the single largest shareholder of Jsdway with a 37.18% equity interest. Given that the remaining 62.82% equity interest in Jsdway is held by other few investors and the number of votes of minority voting rights holders has exceeded the Group's votes as they acted together, this indicates that the Group has no current ability to direct the relevant activities of Jsdway. Accordingly, the Group has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
<u>At January 1, 2021</u>									
Cost	\$ 2,246,082	\$ 517,870	\$ 480,246	\$ 1,226	\$ 101,019	\$ 35,564	\$ 61,201	\$ 9,372	\$ 3,452,580
Accumulated depreciation	-	(133,590)	(344,172)	(1,166)	(64,832)	(22,877)	(34,125)	-	(600,762)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 384,280</u>	<u>\$ 129,692</u>	<u>\$ 60</u>	<u>\$ 36,187</u>	<u>\$ 12,687</u>	<u>\$ 27,076</u>	<u>\$ 9,372</u>	<u>\$ 2,845,436</u>
<u>2021</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 384,280	\$ 129,692	\$ 60	\$ 36,187	\$ 12,687	\$ 27,076	\$ 9,372	\$ 2,845,436
Additions	-	659	19,362	-	4,444	-	966	3,849	29,280
Disposals	-	-	-	-	(42)	-	(2)	-	(44)
Transfer	-	-	-	-	-	-	672	(672)	-
Depreciation charge	-	(8,672)	(16,631)	-	(3,700)	(1,592)	(2,239)	-	(32,834)
Net exchange differences	-	-	(2)	-	-	-	-	-	(2)
Closing net book amount as at March 31	<u>\$ 2,246,082</u>	<u>\$ 376,267</u>	<u>\$ 132,421</u>	<u>\$ 60</u>	<u>\$ 36,889</u>	<u>\$ 11,095</u>	<u>\$ 26,473</u>	<u>\$ 12,549</u>	<u>\$ 2,841,836</u>
<u>At March 31, 2021</u>									
Cost	\$ 2,246,082	\$ 518,503	\$ 466,320	\$ 1,226	\$ 102,152	\$ 35,392	\$ 41,317	\$ 12,549	\$ 3,423,541
Accumulated depreciation	-	(142,236)	(327,517)	(1,166)	(65,263)	(24,297)	(14,844)	-	(575,323)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 376,267</u>	<u>\$ 132,421</u>	<u>\$ 60</u>	<u>\$ 36,889</u>	<u>\$ 11,095</u>	<u>\$ 26,473</u>	<u>\$ 12,549</u>	<u>\$ 2,841,836</u>

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
<u>At January 1, 2020</u>									
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)
	<u>\$ 2,246,082</u>	<u>\$ 409,006</u>	<u>\$ 130,552</u>	<u>\$ 60</u>	<u>\$ 36,426</u>	<u>\$ 16,218</u>	<u>\$ 18,613</u>	<u>\$ 166</u>	<u>\$ 2,857,123</u>
<u>2020</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 409,006	\$ 130,552	\$ 60	\$ 36,426	\$ 16,218	\$ 18,613	\$ 166	\$ 2,857,123
Additions	-	839	14,097	1,900	4,614	-	1,043	444	22,937
Disposals	-	-	(479)	-	(181)	-	-	-	(660)
Depreciation charge	-	(8,405)	(12,941)	(53)	(3,734)	(2,024)	(2,632)	-	(29,789)
Net exchange differences	-	-	-	-	(21)	(20)	-	-	(41)
Closing net book amount as at March 31	<u>\$ 2,246,082</u>	<u>\$ 401,440</u>	<u>\$ 131,229</u>	<u>\$ 1,907</u>	<u>\$ 37,104</u>	<u>\$ 14,174</u>	<u>\$ 17,024</u>	<u>\$ 610</u>	<u>\$ 2,849,570</u>
<u>At March 31, 2020</u>									
Cost	\$ 2,246,082	\$ 511,446	\$ 482,714	\$ 3,083	\$ 97,962	\$ 37,343	\$ 45,260	\$ 610	\$ 3,424,500
Accumulated depreciation	-	(110,006)	(345,103)	(1,176)	(60,858)	(23,169)	(28,236)	-	(568,548)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 401,440</u>	<u>\$ 131,229</u>	<u>\$ 1,907</u>	<u>\$ 37,104</u>	<u>\$ 14,174</u>	<u>\$ 17,024</u>	<u>\$ 610</u>	<u>\$ 2,849,570</u>

A. The Group's property, plant and equipment are mainly owner-occupied.

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

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

(10) Leasing arrangements - lessee

- A. The Group leases various assets including buildings, parking lot, machinery and business vehicles. 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. For the three months ended March 31, 2021 and 2020, payments of lease commitments for short-term leases amounted to \$944 and \$5,961, respectively.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 49,247	\$ 55,219	\$ 41,485
Land improvements	2,932	3,063	-
Transportation equipment (Business vehicles)	2,442	547	1,242
Machinery	6,864	7,760	10,446
	<u>\$ 61,485</u>	<u>\$ 66,589</u>	<u>\$ 53,173</u>

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Buildings	\$ 5,948	\$ 5,111
Land improvements	131	-
Transportation equipment (Business vehicles)	593	371
Machinery	895	1,140
	<u>\$ 7,567</u>	<u>\$ 6,622</u>

- D. For the three months ended March 31, 2021 and 2020, the additions to right-of-use assets were \$2,489 and \$0, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 126</u>	<u>\$ 136</u>
Expense on short-term lease contracts	<u>\$ 944</u>	<u>\$ 5,961</u>

- F. For the three months ended March 31, 2021 and 2020, the Group's total cash outflow for leases were \$8,875 and \$12,489, respectively.

(11) Leasing arrangements - lessor

- A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. Gain arising from operating lease agreements for the three months ended March 31, 2021 and 2020 is as follows:

	Three months ended March 31,	
	2021	2020
Rent income	\$ 476	\$ 399

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

	March 31, 2021	December 31, 2020	March 31, 2020
2020	\$ -	\$ -	\$ 1,202
2021	310	305	76
	<u>\$ 310</u>	<u>\$ 305</u>	<u>\$ 1,278</u>

(12) Intangible assets

	<u>License fees</u>	<u>Software</u>	<u>Other intangible asset</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2021</u>							
Cost	\$ 1,695,225	\$ 97,266	\$ 141,985	\$ 10,090	\$ 197,852	\$ 382,804	\$ 2,525,222
Accumulated amortisation	(866,238)	(57,164)	(32,382)	-	(55,924)	-	(1,011,708)
Accumulated impairment	(27,440)	-	-	-	-	(74,411)	(101,851)
	<u>\$ 801,547</u>	<u>\$ 40,102</u>	<u>\$ 109,603</u>	<u>\$ 10,090</u>	<u>\$ 141,928</u>	<u>\$ 308,393</u>	<u>\$ 1,411,663</u>
<u>2021</u>							
Opening net book amount as at January 1	\$ 801,547	\$ 40,102	\$ 109,603	\$ 10,090	\$ 141,928	\$ 308,393	\$ 1,411,663
Additions	-	12,293	-	-	-	-	12,293
Amortisation charge	(167,944)	(10,924)	(3,314)	-	(4,667)	-	(186,849)
Net exchange differences	<u>912</u>	<u>140</u>	<u>223</u>	<u>-</u>	<u>9</u>	<u>80</u>	<u>1,364</u>
Closing net book amount as at March 31	<u>\$ 634,515</u>	<u>\$ 41,611</u>	<u>\$ 106,512</u>	<u>\$ 10,090</u>	<u>\$ 137,270</u>	<u>\$ 308,473</u>	<u>\$ 1,238,471</u>
<u>At March 31, 2021</u>							
Cost	\$ 1,631,453	\$ 100,940	\$ 142,235	\$ 10,090	\$ 196,500	\$ 382,889	\$ 2,464,107
Accumulated amortisation	(979,819)	(59,329)	(35,723)	-	(59,230)	-	(1,134,101)
Accumulated impairment	(17,119)	-	-	-	-	(74,416)	(91,535)
	<u>\$ 634,515</u>	<u>\$ 41,611</u>	<u>\$ 106,512</u>	<u>\$ 10,090</u>	<u>\$ 137,270</u>	<u>\$ 308,473</u>	<u>\$ 1,238,471</u>

	<u>License fees</u>	<u>Software</u>	<u>Other intangible asset</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2020</u>							
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)
	<u>\$ 254,765</u>	<u>\$ 46,924</u>	<u>\$ 59,055</u>	<u>\$ 10,090</u>	<u>\$ 161,132</u>	<u>\$ 310,585</u>	<u>\$ 842,551</u>
<u>2020</u>							
Opening net book amount as at January 1	\$ 254,765	\$ 46,924	\$ 59,055	\$ 10,090	\$ 161,132	\$ 310,585	\$ 842,551
Additions	54,250	5,365	28,804	-	-	-	88,419
Amortisation charge	(25,285)	(12,662)	(3,592)	-	(4,718)	-	(46,257)
Disposals during the period	-	(392)	-	-	-	-	(392)
Reclassifications (Note)	-	-	(682)	-	-	-	(682)
Net exchange differences	373	30	428	-	83	358	1,272
Closing net book amount as at March 31	<u>\$ 284,103</u>	<u>\$ 39,265</u>	<u>\$ 84,013</u>	<u>\$ 10,090</u>	<u>\$ 156,497</u>	<u>\$ 310,943</u>	<u>\$ 884,911</u>
<u>At March 31, 2020</u>							
Cost	\$ 590,867	\$ 99,536	\$ 109,021	\$ 10,090	\$ 197,852	\$ 385,491	\$ 1,392,857
Accumulated amortisation	(289,443)	(60,271)	(25,008)	-	(41,355)	-	(416,077)
Accumulated impairment	(17,321)	-	-	-	-	(74,548)	(91,869)
	<u>\$ 284,103</u>	<u>\$ 39,265</u>	<u>\$ 84,013</u>	<u>\$ 10,090</u>	<u>\$ 156,497</u>	<u>\$ 310,943</u>	<u>\$ 884,911</u>

Note: It was reclassified to other non-current assets.

A. The details of amortisation are as follows:

	Three months ended March 31,	
	2021	2020
Operating costs	\$ 174,235	\$ 33,117
Selling expenses	4,019	4,419
General and administrative expenses	5,486	8,002
Research and development expenses	3,109	719
	<u>\$ 186,849</u>	<u>\$ 46,257</u>

B. The Group acquired registered trademark from the acquisition of NOWnews. As the trademark is assessed to have indefinite useful life, it shall not be amortised but shall be tested for impairment annually.

C. Goodwill and trademark with an indefinite useful life are allocated to the Group's cash-generating units identified according to operating segment as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Goodwill:			
NOWnews	\$ 197,055	\$ 197,055	\$ 197,055
Digicentre	141,149	141,149	141,149
AMI	17,578	17,543	18,618
GIH	25,499	25,450	27,009
Others	1,608	1,607	1,660
	<u>382,889</u>	<u>382,804</u>	<u>385,491</u>
Less: Accumulated impairment	(74,416)	(74,411)	(74,548)
	<u>\$ 308,473</u>	<u>\$ 308,393</u>	<u>\$ 310,943</u>
Trademark:			
NOWnews	<u>\$ 10,090</u>	<u>\$ 10,090</u>	<u>\$ 10,090</u>

Acquisition prices for business combination are calculated based on the price of acquisition and related direct costs. The amount of goodwill recognised is the difference of the acquisition price less the net fair value of identifiable assets acquired. The allocation period of acquisition price may not exceed one year after the acquisition.

D. The Group's goodwill acquired in a business combination 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 and when there is any indication that it might have been impaired. The impairment testing on goodwill as of December 31, 2020 and 2019 are 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 the difference between the recoverable amount and carrying amount of net assets of each company.

The Group used value-in-use calculated by external appraiser to be the recoverable amount of subsidiaries, NOWnews and Digicentre at December 31, 2020 and 2019. The Group did not recognise impairment loss on goodwill at December 31, 2020, because the recoverable amount was higher than the carrying amount. As the recoverable amount was lower than the carrying amount at December 31, 2019, goodwill was impaired. The main assumptions used in calculating value-in-use by external appraiser are set out below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Growth rate	3.2%~4.3%	2.3%~4.3%
Discount rate	13.9%~14.6%	13.6%~13.8%

On December 31, 2020 and 2019, aside from NOWnews and Digicentre, the recoverable amounts of cash-generating units were calculated based on value-in-use. Because the recoverable amounts exceeded the carrying amount, 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 the budgeted operating profit margin based on past performance and their expectations of market development. The weighted average growth rates are consistent with the projection in industry reports. The discount rates were pre-tax and reflected specific risks relating to the relevant operating segments.

(13) Other non-current assets

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Overdue receivables	\$ 106,709	\$ 99,824	\$ 99,824
Less: Loss allowance for overdue receivables	(106,709)	(99,824)	(99,824)
Refundable deposits	42,791	41,422	39,308
Others	3,235	3,666	1,183
	<u>\$ 46,026</u>	<u>\$ 45,088</u>	<u>\$ 40,491</u>

(14) Short-term borrowings

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Bank borrowings			
Secured borrowings	\$ 96,372	\$ 123,615	\$ 117,884
Unsecured borrowings	202,533	102,533	250,000
	<u>\$ 298,905</u>	<u>\$ 226,148</u>	<u>\$ 367,884</u>
Credit lines	<u>\$ 3,356,569</u>	<u>\$ 3,225,870</u>	<u>\$ 2,391,291</u>
Interest rate range	<u>0.80%~5.80%</u>	<u>0.90%~6.10%</u>	<u>1.08%~6.10%</u>

(15) Other payables

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Store-value received on behalf of others	\$ 889,183	\$ 778,208	\$ 665,638
Payable on business tax and withholding tax	128,726	66,411	78,094
Commission payable	101,684	71,239	81,034
Salary and annual bonus payable	129,561	186,024	135,326
Employees' compensation payable	208,588	159,073	230,896
Payable on equipment and intangible assets (Note)	460,494	478,848	5,822
Directors' remuneration payable	33,030	24,155	37,758
Others	245,871	235,775	221,700
	<u>\$ 2,197,137</u>	<u>\$ 1,999,733</u>	<u>\$ 1,456,268</u>

Note: The payment obligations of certain game license are to pay game developers license fees if the revenue reaches a certain amount within two years after the signing of the contract. The Group recognised the license fees and payable on intangible assets after assessing that the payment obligation is highly realisable.

(16) Other current liabilities

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Long-term borrowings, current portion	\$ 160,000	\$ 160,000	\$ 160,000
Receipts under custody	12,588	18,757	26,766
Tax receipts under custody	16,162	15,289	12,893
Other current liabilities	45,708	34,133	39,399
	<u>\$ 234,458</u>	<u>\$ 228,179</u>	<u>\$ 239,058</u>

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>March 31, 2021</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 ~ March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly in 28 installments	1.13%~1.70%	Land and Buildings and structures	\$ 200,000
Less: Current portion				(160,000)
				<u>\$ 40,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2020
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	1.13%~1.70%	Land and Buildings and structures	\$ 240,000
Less: Current portion				(<u>160,000</u>)
				<u>\$ 80,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2020
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	1.40%~1.70%	Land and Buildings and structures	\$ 360,000
Less: Current portion				(<u>160,000</u>)
				<u>\$ 200,000</u>

(18) 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 insufficient 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 before March in the following year.

- (b) The pension costs under the defined benefit pension plan of the Company for the three months ended March 31, 2021 and 2020 were \$210 and \$172, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2021 amount to \$1,299.

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) Gamania Digital Entertainment (Beijing) Co., Ltd., Legion Technology (Shanghai) Co., Ltd. and Jollywiz Digital Business Co., Ltd. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on a certain percentage of employees’ monthly salaries and wages. The contribution percentage for the three months ended March 31, 2021 and 2020 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.
- (c) Gamania Digital Entertainment (H.K.) Co., Ltd., Gash Point (Hong Kong) Company Limited, Gash Point (Japan) Co., Ltd., Gash Point Korea Co., Ltd., Joymobee Entertainment Co., Ltd., Hapod Digital Technology Co., Ltd., Jollywiz International (HK) Co., Ltd., Madsugr Digital Technology (HK) Co., Ltd., Circo (HK) Co., Ltd., Digicentre (HK) Company Limited and Hyperg Smart Security Technology Pte., Ltd. provide pension reserves annually for their employees in accordance with the local regulations.
- (d) The pension costs under the defined contribution pension plan of the Group for the three months ended March 31, 2021 and 2020 were \$10,121 and \$8,880, respectively.

(19) Common stock

- A. As of March 31, 2021, 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:

	<u>2021</u>	<u>2020</u>
At January 1	175,494	175,494
Treasury shares purchased	-	(2,241)
At March 31	<u>175,494</u>	<u>173,253</u>

B. Treasury shares

(a) The Company has no treasury shares because they were all transferred to employees as of March 31, 2021 and December 31, 2020.

As of March 31, 2020, the reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		<u>March 31, 2020</u>	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares (shares in thousands)</u>	<u>Carrying amount</u>
The Company	To be transferred to employees	<u>2,241</u>	<u>\$ 91,449</u>

(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.

(20) Capital surplus

- A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be 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.

(21) 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 years’ 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 the 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 17, 2020, the shareholders during their meeting resolved the 2019 appropriations of retained earnings as follows:

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

F. On March 22, 2021, the board of directors during its meeting resolved the 2020 appropriations of retained earnings as follows:

	Year ended December 31, 2020	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 113,664	\$ -
Special reserve appropriated	379,928	-
Cash dividends distributed to shareholders	701,974	4.0
	<u>\$ 1,195,566</u>	<u>\$ 4.0</u>

As of May 6, 2021, the appropriations of 2020 earnings have not yet been resolved by the shareholders and have not yet been distributed.

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

H. For the information relating to employees' bonus and directors' and supervisors' remuneration, please refer to Note 6(28).

(22) Other equity items

	2021		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 107,968)	(\$ 443,936)	(\$ 551,904)
Revaluation - Group	-	6,021	6,021
Currency translation differences:			
- Group	(27)	-	(27)
At March 31	<u>(\$ 107,995)</u>	<u>(\$ 437,915)</u>	<u>(\$ 545,910)</u>

	2020		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 73,174)	(\$ 98,802)	(\$ 171,976)
Revaluation - Group Currency translation differences:	-	(92,639)	(92,639)
- Group	8,851	-	8,851
At March 31	(\$ 64,323)	(\$ 191,441)	(\$ 255,764)

(23) Operating revenue

	Three months ended March 31,	
	2021	2020
Revenue from contracts with customers	\$ 3,106,547	\$ 3,155,080

A. Disaggregation of revenue from contracts with customers

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

Three months ended March 31, 2021	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 2,481,795	\$ 340,758	\$ 204,037	\$ 79,957	\$ 3,106,547
Timing of revenue recognition					
At a point in time	\$ 2,352,554	\$ 165,102	\$ 204,037	\$ 79,957	\$ 2,801,650
Over time	129,241	175,656	-	-	304,897
	\$ 2,481,795	\$ 340,758	\$ 204,037	\$ 79,957	\$ 3,106,547
Three months ended March 31, 2020	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 2,620,029	\$ 270,395	\$ 198,475	\$ 66,181	\$ 3,155,080
Timing of revenue recognition					
At a point in time	\$ 2,549,040	\$ 85,790	\$ 198,475	\$ 66,181	\$ 2,899,486
Over time	70,989	184,605	-	-	255,594
	\$ 2,620,029	\$ 270,395	\$ 198,475	\$ 66,181	\$ 3,155,080

B. Contract liabilities

(a) The Group recognised contract liabilities related to the contract revenue from sales amounting to \$287,618, \$281,129, \$497,282 and \$335,054 as of March 31, 2021, December 31, 2020, March 31, 2020 and January 1, 2020, respectively. The Group's contract liabilities

are mainly deferred revenue from points stored but unused or unconsumed 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 period:

	Three months ended March 31,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Revenue from games	\$ 281,129	\$ 335,054

(24) Interest income

	Three months ended March 31,	
	2021	2020
Interest income from bank deposits	\$ 705	\$ 3,820
Interest income from financial assets at amortised cost	98	197
	<u>\$ 803</u>	<u>\$ 4,017</u>

(25) Other income

	Three months ended March 31,	
	2021	2020
Rental income	\$ 476	\$ 399
Other income	4,127	16,212
	<u>\$ 4,603</u>	<u>\$ 16,611</u>

(26) Other gains and losses

	Three months ended March 31,	
	2021	2020
(Loss) gain on disposal of property, plant and equipment	(\$ 44)	\$ 224
Foreign exchange gain (loss)	8,417	(131)
Other gains and losses	(1,434)	(2,596)
	<u>\$ 6,939</u>	<u>(\$ 2,503)</u>

(27) Finance costs

	Three months ended March 31,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 1,631	\$ 3,878
Lease liability	126	136
	<u>\$ 1,757</u>	<u>\$ 4,014</u>

(28) Employee benefit, depreciation and amortisation expense

	Three months ended March 31,	
	2021	2020
Employee benefit expense		
Wages and salaries	\$ 265,673	\$ 252,238
Directors' remuneration	10,285	9,104
Labor and health insurance fees	17,677	15,866
Pension costs	10,331	9,052
Other personnel expenses	10,718	10,360
	<u>\$ 314,684</u>	<u>\$ 296,620</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 40,401</u>	<u>\$ 36,411</u>
Amortisation expense	<u>\$ 186,849</u>	<u>\$ 46,257</u>

A. According to the Articles of Incorporation of the Company, the profit before tax before deduction of employees' compensation and directors' remuneration of the Company, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 10%~15% for employees' compensation and shall not be higher than 2% for directors' remuneration. However, where the Company has accumulated losses, the Company shall first use any profit to cover such losses.

B. For the three months ended March 31, 2021 and 2020, employees' compensation was accrued at \$44,374 and \$54,291, respectively; while directors' remuneration was accrued at \$10,225 and \$10,858, respectively. The aforementioned amounts were recognised in salary expenses.

For the three months ended March 31, 2021, 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 2020 amounted to \$118,052 and \$23,000, 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 2020 financial statements. The difference in directors' remuneration for 2020 of \$610 had been adjusted in the profit or loss for 2021. However, as of May 6, 2021, employees' compensation and directors' and supervisors' remuneration for the year ended December 31,

2020 have not yet been distributed.

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

(29) Income tax

A. Income tax expense

Components of income tax expense:

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Current tax on profit for the period	\$ 129,615	\$ 132,572
Deferred tax:		
Origination and reversal of temporary differences	<u>3,180</u>	<u>2,482</u>
Income tax expense	<u>\$ 132,795</u>	<u>\$ 135,054</u>

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

	<u>Latest Year Assessed by Tax Authority</u>
The Company, Jollywiz, Digicentre	2018
Gash Point, Two Tigers, Ants' Power, Indiland, Gamania Asia, Ciirco, Coture New Media, Conetter CoMarketing, WeBackers, BeanGo!, Foundation, NOWnews, Bojolly, GAMA PAY, Madsugr, Jollybuy	2019

(30) Earnings per share

	Three months ended March 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 308,878	175,494	\$ 1.76
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 308,878	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus (Note)	-	2,316	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 308,878	177,810	\$ 1.74
	Three months ended March 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 375,521	175,257	\$ 2.14
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 375,521	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus (Note)	-	3,084	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 375,521	178,341	\$ 2.11

Note: 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.

(31) Transactions with non-controlling interest

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

A. The subsidiaries, GAMA PAY, Ciirco and NOWnews, increased capital by issuing new shares for cash, respectively, for the three months ended March 31, 2021. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 4.01%, 0.03%, and 0.19%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>GAMA PAY</u>	
	<u>Three months ended</u>	
	<u>March 31, 2021</u>	
Cash	\$	-
Increase in carrying amount of non-controlling interest	(8,417)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$	<u>8,417)</u>
	<u>Ciirco</u>	<u>NOWnews</u>
	<u>Three months ended</u>	<u>Three months ended</u>
	<u>March 31, 2021</u>	<u>March 31, 2021</u>
Cash	\$	\$ 7,994
Increase in carrying amount of non-controlling interest	(7,937)
Decrease in unappropriated retained earnings	(\$	<u>11)</u>
	(\$	<u>643)</u>

B. The subsidiaries, Hyperg and JollyBuy, increased capital by issuing new shares for technology and cash, respectively, for the three months ended March 31, 2021. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership (decreased) increased by (49%) and 1.07%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>Hyperg</u>
	Three months ended March 31, 2020
Special Technology	\$ 29,305
Increase in carrying amount of non- controlling interest	(29,090)
Capital surplus-changes in parent's ownership interest in subsidiary	<u>\$ 215</u>
	<u>Jollybuy</u>
	Three months ended March 31, 2020
Cash	\$ -
Increase in carrying amount of non- controlling interest	(1,097)
Capital surplus-changes in parent's ownership interest in subsidiary	<u>(\$ 1,097)</u>

(32) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Acquisition of property, plant and equipment	\$ 29,280	\$ 22,937
Add: Opening balance of other payables	24,590	25,758
Less: Ending balance of other payables	(9,840)	(5,441)
Cash paid during the period	<u>\$ 44,030</u>	<u>\$ 43,254</u>

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Purchase of intangible assets	\$ 12,293	\$ 88,419
Add: Opening balance of other payables	454,258	45,085
Less: Ending balance of other payables	(450,654)	(381)
Less: Increase in non-controlling interests	-	(29,090)
Cash paid during the period	<u>\$ 15,897</u>	<u>\$ 104,033</u>

(33) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the three months ended March 31, 2021 and 2020 are as follows:

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2021	\$ 226,148	\$ 240,000	\$ 66,919	\$ 533,067
Changes in cash flow from financing activities	72,586	(40,000)	(7,805)	24,781
Impact of changes in foreign exchange rate	171	-	12	183
Changes in other non-cash items				
Increase in right-of-use assets	-	-	2,489	2,489
March 31, 2021	<u>\$ 298,905</u>	<u>\$ 200,000</u>	<u>\$ 61,615</u>	<u>\$ 560,520</u>
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2020	\$ 748,179	\$ 400,000	\$ 59,851	\$ 1,208,030
Changes in cash flow from financing activities	(380,811)	(40,000)	(6,392)	(427,203)
Impact of changes in foreign exchange rate	516	-	(174)	342
March 31, 2020	<u>\$ 367,884</u>	<u>\$ 360,000</u>	<u>\$ 53,285</u>	<u>\$ 781,169</u>

Note: Including long-term loans due within one year or one business cycle.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

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

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

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Pri-One Marketing Co., Ltd.	Associate
Fantasy Fish Digital Games Co., Ltd.	"
GungHo Gamania Co., Limited	"
Jsdway Digital Technology Co., Ltd. (Jsdway)	"
Aotter Inc.	"
Walker Media Co., Ltd.	"
Store Marais Co., Ltd. (Note)	"
Polysh Co., Ltd. (Note)	"

Names of related parties	Relationship with the Company
Fantasy Fish Digital Games (HK) Co., Ltd.	Associate
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"
Simsense Technology Sdn. Bhd.	"

Note: On March 1, 2020, Marais merged with Polysh through a stock swap at a ratio of 1:1 with the shareholders who previously owned Polysh. Marais was the surviving company and Polysh was the dissolved company after the merger. The related party transactions of Marais were disclosed from March 1, 2020.

(3) Significant transactions and balances with related parties

A. Operating revenue

	Three months ended March 31,	
	2021	2020
Sales of goods:		
Associates	\$ 266	\$ 569
Other related parties	6,537	7,471
	<u>\$ 6,803</u>	<u>\$ 8,040</u>
Sales of services:		
Associates	\$ 5,100	\$ 12,891
Other related parties	22,419	16,662
	<u>\$ 27,519</u>	<u>\$ 29,553</u>

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 generated from a certain percentage of value-added services provided to related parties, customer services, production of advertisements, and providing IDC service that are in accordance with mutual agreements.

B. Operating costs

	Three months ended March 31,	
	2021	2020
Programs cost:		
Associates	\$ -	\$ 324
Service costs:		
Other related parties	2,004	952
	<u>\$ 2,004</u>	<u>\$ 1,276</u>

Programs costs are costs incurred in the development of internet programs and TV programs, and

service costs arise from the sales of services. All abovementioned costs are based on mutual agreement.

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

	Three months ended March 31,	
	2021	2020
Associates	\$ 4,798	\$ 4,454
Other related parties	-	6,738
	<u>\$ 4,798</u>	<u>\$ 11,192</u>

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

D. Donation (shown in general and administrative expenses)

	Three months ended March 31,	
	2021	2020
Other related party		
Gamania Cheer Up Foundation	\$ 3,500	\$ 7,000

The Group made donations in support of projects for caring and encouraging the youth which had been resolved by the Board of Directors.

E. Rental income (shown in other income)

	Three months ended March 31,	
	2021	2020
Associates	\$ 23	\$ 23
Other related parties	78	78
	<u>\$ 101</u>	<u>\$ 101</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Accounts receivable:			
Associates	\$ 3,932	\$ 6,390	\$ 4,342
Other related parties	5,504	6,955	6,971
	<u>\$ 9,436</u>	<u>\$ 13,345</u>	<u>\$ 11,313</u>
Other receivables:			
Associates	\$ 612	\$ 2,577	\$ 1,799
Other related parties	83	65	83
	<u>\$ 695</u>	<u>\$ 2,642</u>	<u>\$ 1,882</u>

Accounts receivable arise 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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Accounts payable:			
Associates	\$ -	\$ -	\$ 486
Other related parties	1,437	4,060	952
	<u>\$ 1,437</u>	<u>\$ 4,060</u>	<u>\$ 1,438</u>
Other payables:			
Associates	\$ 4,203	\$ 5,893	\$ 3,545
Other related parties	199,929	109,883	31,726
	<u>\$ 204,132</u>	<u>\$ 115,776</u>	<u>\$ 35,271</u>

Accounts payable are payables for costs relating to service revenue and are due 60 days after the purchase. The payables do not bear interest.

Other payables are receipts under custody arising from value-added services provided to related parties, less a certain percentage of service revenue, payables for mobile games development, advertisement.

H. 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 March 31, 2021, December 31, 2020 and March 31, 2020, the carrying amounts of right-of-use assets were \$168, \$224 and \$392, and lease liabilities were \$170, \$227 and \$395, respectively. For the three months ended March 31, 2021 and 2020, the Group recognised interest expense amounting to \$1 and \$1, respectively.

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

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 43,685	\$ 49,655
Post-employment benefits	81	81
	<u>\$ 43,766</u>	<u>\$ 49,736</u>

8. PLEGDED ASSETS

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

Pledged assets	Book value			Pledge purpose
	March 31, 2021	December 31, 2020	March 31, 2020	
Demand deposits (shown in "other current asset")	\$ 188,281	\$ 91,641	\$ 209,633	Guarantee for short-term borrowing facility, performance bond of on-line game card's standard contracts, trusted electronic payment accounts, trust performance bond for E- commerce service and performance bond of stickers
Demand deposits (shown in "other current asset")	10,000	-	-	Guarantee for short-term borrowing facility
Demand deposits (shown in "financial assets at amortised cost - current")	72,382	64,178	62,310	Guarantee for short-term borrowing facility and credit card merchant
Property, plant and equipment				
Land	2,246,082	2,246,082	2,246,082	Short-term and long-term loans / Credit lines
Buildings and structures	257,062	258,473	262,707	Short-term and long- term loans / Credit lines
	<u>\$ 2,773,807</u>	<u>\$ 2,660,374</u>	<u>\$ 2,780,732</u>	

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

The Company was approved by the board of directors on May 6, 2021, to continue to develop game operations. The subsidiary, GIH, plans to increase its capital in the associate, Gungho Gamania, in the amount of USD1,225 thousands. GIH's shareholding ratio in Gungho Gamania will remain at 49%.

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 operations and maximise stockholders' equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity	\$ 189,075	\$ 182,953	\$ 461,339
<u>Financial assets at amortised cost</u>			
Cash and cash equivalents	\$ 2,665,613	\$ 2,397,601	\$ 2,448,017
Financial assets at amortised cost			
Notes receivable	170,905	102,626	62,310
Accounts receivable (including related parties)	445	4,533	2,216
Other receivables (including related parties)	1,141,259	958,036	1,200,305
Other financial assets	532,439	260,802	393,377
Guarantee deposits paid	198,281	91,641	209,633
	42,791	41,422	39,308
	<u>\$ 4,751,733</u>	<u>\$ 3,856,661</u>	<u>\$ 4,355,166</u>
<u>Financial liabilities</u>			
<u>Financial liabilities at amortised</u>			
Short-term borrowings	\$ 298,905	\$ 226,148	\$ 367,884
Notes payable	1,211	1,211	1,238
Accounts payable (including related parties)	602,543	504,243	1,095,405
Other payables (including related parties)	2,401,269	2,115,509	1,491,539
Long-term borrowings (including current portion)	200,000	240,000	360,000
Guarantee deposits received	13,198	12,625	10,363
	<u>\$ 3,517,126</u>	<u>\$ 3,099,736</u>	<u>\$ 3,326,429</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. Each of the entities in the Group operates in different countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies of each entity in the Group whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2021

(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 18,467	28.535	\$ 526,956
HKD:NTD	33,145	3.670	121,642
HKD:USD (Note)	141,476	0.129	520,775
RMB:USD (Note)	9,310	0.152	40,380
MYR:USD (Note)	5,097	0.230	33,452
USD:HKD (Note)	10,686	7.775	304,917
<u>Non-monetary items</u>			
USD:NTD	35,198	28.535	1,004,384
KRW:NTD	795,200	0.025	19,880
JPY:NTD	109,969	0.258	28,372
HKD:USD (Note)	105,041	0.129	386,657
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	26,401	28.535	753,353
HKD:NTD	4,562	3.670	16,743
HKD:USD (Note)	28,689	0.129	105,605
USD:HKD (Note)	3,638	7.775	103,808

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

	December 31, 2020		
(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 14,732	28.480	\$ 419,567
HKD:NTD	10,169	3.673	37,351
HKD:USD (Note)	70,473	0.129	258,912
USD:HKD (Note)	10,474	7.754	298,304
<u>Non-monetary items</u>			
USD:NTD	32,384	28.480	922,309
KRW:NTD	762,300	0.260	19,812
JPY:NTD	107,630	0.276	29,706
HKD:USD (Note)	80,762	0.129	296,713
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	26,769	28.480	762,381
HKD:NTD	9,872	3.673	36,260
HKD:USD (Note)	4,868	0.129	17,885
USD:HKD (Note)	1,892	7.754	53,885

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

	March 31, 2020		
(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 22,894	30.225	\$ 691,971
HKD:NTD	15,208	3.898	59,281
HKD:USD (Note)	94,868	0.129	369,893
USD:HKD (Note)	11,719	7.754	354,208
<u>Non-monetary items</u>			
USD:NTD	29,624	30.225	895,382
KRW:NTD	646,499	0.025	16,162
JPY:NTD	104,987	0.279	29,270
HKD:USD (Note)	75,317	0.129	293,662
USD:HKD (Note)	113	7.754	3,444
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	11,189	30.225	338,188
HKD:NTD	1,364	3.898	5,317
EUR:NTD	300	33.240	9,972
USD:HKD (Note)	1,023	7.754	30,920

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

- iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2021 and 2020 amounted to \$8,417 and (\$131), respectively.

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

(Foreign currency: Functional currency)	Three months ended March 31, 2021		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 5,270	\$ -
HKD:NTD	1%	1,216	-
HKD:USD (Note)	1%	5,208	-
RMB:USD (Note)	1%	404	-
MYR:USD (Note)	1%	335	-
USD:HKD (Note)	1%	3,049	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	7,534	-
HKD:NTD	1%	167	-
HKD:USD (Note)	1%	1,056	-
USD:HKD (Note)	1%	1,038	-

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

(Foreign currency: Functional currency)	Three months ended March 31, 2020		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 6,920	\$ -
HKD:NTD	1%	593	-
HKD:USD (Note)	1%	3,699	-
USD:HKD (Note)	1%	3,542	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	3,382	-
HKD:NTD	1%	53	-
EUR:NTD	1%	100	-
USD:HKD (Note)	1%	309	-

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 three months ended March 31, 2021 and 2020, other comprehensive income or loss would have increased by \$1,891 and \$4,613, respectively, because equity investment is classified as financial asset 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 and variable rates. During the three months ended March 31, 2021 and 2020, the Group's borrowings at variable rate were denominated in NTD and RMB.
- ii. At March 31, 2021, December 31, 2020 and March 31, 2020, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the three months ended March 31, 2021 and 2020 would have been \$13 and \$31 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 amortised cost.
- 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. The internal risk control management evaluates the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on ratings from accounting and administration departments in accordance with limits set

by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk mainly arose from debt instruments stated at amortised cost 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 following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customer's accounts receivable and contract assets in accordance with product types. The Group applies the simplified approach using the provision matrix to estimate expected credit loss.
- vii. 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 March 31, 2021, the Group has no written-off financial assets that are still under recourse procedures.
- viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and other receivables. On March 31, 2021, December 31, 2020 and March 31, 2020, the provision matrix is as follows:

	March 31, 2021		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.02%~0.97%	\$ 1,513,330	\$ 2,567
Up to 30 days	0.10%~1.00%	73,041	124
31 to 60 days	0.30%~4.51%	21,124	953
61 to 90 days	4.61%~12.68%	18,415	872
91 to 120 days	31.81%~60.00%	9,372	2,981
Over 121 days	49.48%~100.00%	70,892	35,110
		<u>\$ 1,706,174</u>	<u>\$ 42,607</u>

	December 31, 2020		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~1.11%	\$ 1,088,812	\$ 41
Up to 30 days	0.19%~2.16%	33,146	64
31 to 60 days	0.98%~3.37%	21,813	507
61 to 90 days	3.90%~12.01%	14,110	550
91 to 120 days	4.74%~20.00%	31,813	1,507
Over 121 days	72.70%~100.00%	57,980	42,154
		<u>\$ 1,247,674</u>	<u>\$ 44,823</u>

	March 31, 2020		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.01%~1.11%	\$ 1,338,650	\$ 703
Up to 30 days	0.01%~0.20%	126,362	53
31 to 60 days	0.80%~6.69%	32,196	256
61 to 90 days	7.28%~16.12%	9,440	687
91 to 120 days	22.83%~60.00%	9,461	3,604
Over 121 days	43.39%~100.00%	183,730	114,049
		<u>\$ 1,699,839</u>	<u>\$ 119,352</u>

Note: The above does not include overdue receivables. All the overdue receivables had been provided with loss allowance.

viii. 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:

	2021		
	Accounts receivable	Other receivables	Total
At January 1	\$ 137,244	\$ 7,403	\$ 144,647
Provision for impairment loss	3,307	1,314	4,621
Effect of exchange rate changes	38	10	48
At March 31	<u>\$ 140,589</u>	<u>\$ 8,727</u>	<u>\$ 149,316</u>

	2020		
	Accounts receivable	Other receivables	Total
At January 1	\$ 146,463	\$ 70,368	\$ 216,831
Provision for impairment loss	1,273	1,030	2,303
Effect of exchange rate changes	-	42	42
At March 31	<u>\$ 147,736</u>	<u>\$ 71,440</u>	<u>\$ 219,176</u>

For provisioned loss for the three months ended March 31, 2021 and 2020, the

impairment losses arising from customers' contracts were \$4,621 and \$2,303, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the capital management department. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs.
- ii. The table below is the Group's non-derivative financial liabilities which is presented based on the remaining period at the balance sheet date to the contract maturity date and undiscounted maturity amount based on the maturity date:

Non-derivative financial liabilities

March 31, 2021	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 298,905	\$ -	\$ -
Notes payable	1,211	-	-
Accounts payable	601,106	-	-
Accounts payable - related parties	1,437	-	-
Other payables	2,197,137	-	-
Other payables - related parties	204,132	-	-
Lease liabilities	30,127	25,067	8,272
Long-term borrowings (including current portion)	161,960	40,140	-
December 31, 2020	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 226,148	\$ -	\$ -
Notes payable	1,211	-	-
Accounts payable	500,183	-	-
Accounts payable - related parties	4,060	-	-
Other payables	1,999,733	-	-
Other payables - related parties	115,776	-	-
Lease liabilities	30,971	27,880	9,310
Long-term borrowings (including current portion)	162,520	80,420	-

March 31, 2020	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 367,884	\$ -	\$ -
Notes payable	1,238	-	-
Accounts payable	1,093,967	-	-
Accounts payable - related parties	1,438	-	-
Other payables	1,456,268	-	-
Other payables - related parties	35,271	-	-
Lease liabilities	23,835	29,639	2,514
Long-term borrowings (including current portion)	164,200	202,100	-

(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 and OTC 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 and OTC 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 equivalents, financial assets at amortised cost, 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 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:

<u>March 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 58,777</u>	<u>\$ -</u>	<u>\$ 130,298</u>	<u>\$ 189,075</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 56,962</u>	<u>\$ -</u>	<u>\$ 125,991</u>	<u>\$ 182,953</u>
<u>March 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 54,075</u>	<u>\$ -</u>	<u>\$ 407,264</u>	<u>\$ 461,339</u>

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:

	<u>Open-end fund</u>	<u>Listed (OTC) and emerging stocks</u>
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 three months ended March 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the three months ended March 31, 2021 and 2020:

	Equity securities	
	2021	2020
At January 1	\$ 125,991	\$ 446,410
Income (loss) recognised in other comprehensive income or loss	4,206 (39,591)
Effects of foreign exchange	101	445
At March 31	<u>\$ 130,298</u>	<u>\$ 407,264</u>

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

	Fair value at March 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 130,298	Market comparable companies	Enterprise value to operating income ratio multiple	35.01~39.60 (37.84)	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, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 125,991	Market comparable companies	Enterprise value to operating income ratio multiple	31.58~42.05 (35.87)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

	Fair value at March 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 407,264	Market comparable companies	Enterprise value to operating income ratio multiple	27.02~34.75 (34.27)	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 on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		March 31, 2021				
		Recognised in profit or loss		Recognised in other comprehensive income		
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 435	(\$ 435)
	Discount for lack of marketability	±1%	-	-	790	(790)

			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 387	(\$ 387)
	Discount for lack of marketability	±1%	-	-	742	(742)

			March 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 3,147	(\$ 3,147)
	Discount for lack of marketability	±1%	-	-	3,523	(3,523)

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.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

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 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 three months ended March 31, 2021 and 2020 is as follows:

Three months ended March 31, 2021

	<u>Gamania Digital Entertainment Co., Ltd.</u>	<u>Gash Point Company Limited and Gash Point (Hong Kong) Company Limited</u>	<u>Others</u>	<u>Total</u>	
Revenue from external customers	\$ 2,087,434	\$ 71,515	\$ 947,598	\$ 3,106,547	
Inter-segment revenue	68,259	192,896	181,744	442,899	Note 1
Segment operating profit	351,902	48,516	29,675	430,093	
Segment profit (loss), net of tax	308,878	47,317	(63,204)	292,991	
Segment profit (loss) includes:					
Depreciation and amortisation	(194,501)	(4,300)	(28,449)	(227,250)	
Income tax expense	(89,501)	(13,230)	(30,064)	(132,795)	
Investment income (loss) accounted for under equity method	33,276	3,855	(52,026)	(14,895)	Note 2

Three months ended March 31, 2020

	Gmania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	\$ 2,346,914	\$ 59,006	\$ 749,160	\$ 3,155,080	
Inter-segment revenue	35,155	163,277	209,947	408,379	Note 1
Segment operating profit	410,681	51,072	46,118	507,871	
Segment profit (loss), net of tax	375,521	45,799	(54,300)	367,020	
Segment profit (loss) includes:					
Depreciation and amortisation	(49,938)	(3,876)	(28,854)	(82,668)	
Income tax expense	(97,755)	(12,055)	(25,244)	(135,054)	
Investment income (loss) accounted for under equity method	35,643	4,237	(59,788)	(19,908)	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. The reportable segments of the Group are based on different companies. The reconciliation between operating revenue in Note 6(23) and segment revenue is as follows:

	Three months ended March 31, 2021			
	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) Company Limited	Others	Total
Online and mobile games revenue	\$ 2,080,466	\$ -	\$ 401,329	\$ 2,481,795
Service revenue	6,968	-	333,790	340,758
Sales revenue	-	-	204,037	204,037
Revenue from stored-values	-	71,515	8,442	79,957
	<u>\$ 2,087,434</u>	<u>\$ 71,515</u>	<u>\$ 947,598</u>	<u>\$ 3,106,547</u>

	Three months ended March 31, 2020			
	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) Company Limited	Others	Total
Online and mobile games revenue	\$ 2,334,678	\$ -	\$ 285,351	\$ 2,620,029
Service revenue	12,236	-	258,159	270,395
Sales revenue	-	-	198,475	198,475
Revenue from stored-values	-	59,006	7,175	66,181
	<u>\$ 2,346,914</u>	<u>\$ 59,006</u>	<u>\$ 749,160</u>	<u>\$ 3,155,080</u>

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

Three months ended March 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2021	Outstanding endorsement/ guarantee amount at March 31, 2021	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 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
0	The Company	Jollybuy Digital Technology Co., Ltd.	2	\$ 529,152	\$ 30,000	\$ 30,000	\$ 8,000	\$ 8,000	0.57	\$ 5,291,523	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	3	111,632	35,178	34,812	30,461	-	12.47	111,632	Y	N	Y	Note 4
2	Achieve Made International (BVI)	Jollywiz Digital Technology Co., Ltd.	3	152,099	100,000	100,000	38,980	38,980	26.30	152,099	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 total amount of the Company's external endorsement guarantee shall not exceed 100% of the net assets of the Company's latest financial statements. The limit of the endorsement guarantee for the same enterprise shall not exceed 10% of the net assets of the Company's latest financial statements, and shall not exceed the paid in capital of the endorsement guarantee company.

Note 4: The 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.

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)

March 31, 2021

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 March 31, 2021				Footnote
				Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	
The Company	XPEC Entertainment Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	4,907	\$ 26,941	2.68	\$ 26,941	
The Company	Microprogram Information Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	1,739	43,474	5.42	43,474	
The Company	Life Plus Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	3,000	8,033	9.09	8,033	
The Company	Pili International Multimedia Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	1,958	45,621	3.82	45,621	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	388	13,156	3.57	13,156	
Gamania Asia Investment Co., Ltd.	Gokube Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	400	-	1.77	-	
Gamania International Holdings Ltd.	Vantage Metro Limited - stock	None	Financial assets at fair value through other comprehensive income - non-current	192	28,027	2.59	28,027	
Gamania International Holdings Ltd.	Ikala Global Online Corp. - stock	None	Financial assets at fair value through other comprehensive income - non-current	27,831	23,823	3.43	23,823	

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
Three months ended March 31, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts	
Gash Point Co., Ltd.	The Company	Parent company	Service revenue	\$ 105,725	55.30	Note	Note	Note	\$ 34,470	4.12	

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
 March 31, 2021

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of March 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts	Footnote
					Amount	Action adopted for overdue accounts			
The Company	Gash Point Co., Ltd.	Subsidiary	\$ 785,244	-	\$ -	-	\$ 279,526	\$ 113	Note 2
Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point Co., Ltd.	Fellow subsidiary	115,985	-	-	-	-	-	Note 2
Gamania Digital Entertainment (H.K.) Co., Ltd.	GASH POINT (HK) Co., Ltd.	Fellow subsidiary	104,064	-	-	-	-	-	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to May 6, 2021.

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Three months ended March 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Accounts receivable	\$ 37,385	Note 5	0.37
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	20,994	Note 5	0.68
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	20,444	Note 5	0.66
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	785,244	Note 5	7.73
0	The Company	Gash Point (HK) Co., Ltd.	1	Accounts receivable	64,363	Note 5	0.63
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	79,195	Note 5	0.78
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	HaPod Digital Technology Co., Ltd.	3	Other receivables	17,267	Note 5	0.17
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point Co., Ltd.	3	Accounts receivable	115,985	Note 5	1.14
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	104,064	Note 5	1.02
3	Gash Point Co., Ltd.	The Company	2	Accounts receivable	34,470	Note 5	0.34
3	Gash Point Co., Ltd.	The Company	2	Sales of services	105,725	Note 5	3.40
3	Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	3	Other receivables	25,560	Note 5	0.25
3	Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	3	Refundable deposits	10,000	Note 5	0.10
4	Ants' Power Co., Ltd.	The Company	2	Operating revenue	34,629	Note 5	1.11
4	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	42,713	Note 5	0.42
5	Digicentre Company Limited	The Company	2	Accounts receivable	20,471	Note 5	0.20

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Three months ended March 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
5	Digicentre Company Limited	The Company	2	Operating revenue	\$ 54,457	Note 5	1.75
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	25,971	Note 5	0.26
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	17,675	Note 5	0.57
7	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	46,134	Notes 4 and 5	1.49
8	Hyperg Smart Security Technolgy Pte. Ltd.	Digicentre Company Limited	3	Accounts receivable	17,577	Note 5	0.17

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)
Three months ended March 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at March 31, 2021			Investment income		Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
The Company	Gamania Holdings Ltd.	Cayman Islands	Holding company	\$ 2,315,846	\$ 2,315,846	46,278,315	100.00	\$ 839,049	\$ 70,353	\$ 71,450	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	134,541	(9,355)	(9,355)	
The Company	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	-	-	Note 2
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	480,000	480,000	18,600,000	96.37	35,986	(15,929)	(15,350)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	351,070	5,470	2,986	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	9,874	7,057	3,599	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	297,670	36,998	33,298	
The Company	Indiland Co., Ltd.	Taiwan	IP Commodities authorisation	40,000	40,000	50,000	100.00	94	(1)	(1)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	66,965	9,425	9,425	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	29,702	(5,730)	(1,893)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	240	(32)	(30)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	6,760	30	28	
The Company	MadSugr Digital Technology Co., Ltd.	Taiwan	Information software and supply of electronic information services	45,900	45,900	4,590,000	51.00	3,100	(43)	(22)	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	639,229	569,229	47,714,288	59.64	276,742	(49,842)	(31,002)	
The Company	Coco Digital Technology Co., Ltd.	Taiwan	Software services and sales	-	-	-	0.00	-	-	-	Note 3
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	463,987	431,281	33,916,572	78.72	277,465	(19,471)	(19,076)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	6,601	(18)	(18)	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	209,400	199,400	6,990,649	99.87	12,758	(8,591)	(8,579)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Three months ended March 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at March 31, 2021			Investment income		Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
The Company	4-Way Voice Cultural Co., Ltd.	Taiwan	Newspaper and magazine publishing	\$ 1,900	\$ 1,900	190,000	38.00	\$ 491	(\$ 118)	(\$ 45)	
The Company	Walkermedia Co., Ltd.	Taiwan	Publishing of magazines and general advertising services	30,000	30,000	3,000,000	30.00	17,177	(7,495)	(2,248)	
Jollybuy Digital Technology Co., Ltd.	Store Marais Co., Ltd.	Taiwan	Import of household furniture and retail of other home accessories	10,000	10,000	125,000	7.69	8,691	1,328	310	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,101	1,101	300,000	100.00	33,753	8,481	5,723	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services	28,535	28,535	1,000,000	51.00	23,748	(1,581)	(544)	
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Hong Kong	Software services	49,936	49,936	1,750,000	100.00	3,116	(1,621)	(1,619)	
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	3,369	1,172	352	
Gamania Asia Investment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Sales and research and development of software	-	-	-	0.00	-	-	-	Note 3
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	37.18	47,295	(530)	(197)	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	48,931	48,931	2,658,687	29.54	11,203	(10,270)	(3,034)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	-	-	-	Note 2
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	-	(2,393)	(100)	Note 2
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	15,690	(29,514)	(6,340)	
Madsugr Digital Technology Co., Ltd.	Madsugr Digital Technology (HK) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	-	-	-	0.00	-	-	-	Note 3
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	36,078	36,078	600	100.00	28,372	691	622	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Three months ended March 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at March 31, 2021			Investment income		Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	\$ 12,999	\$ 12,999	750,000	100.00	\$ 162,219	\$ 10,319	\$ 9,287	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Information software and supply of electronic information services	11,662	11,662	138,268	100.00	19,880	825	743	
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd.	Taiwan	Information software and supply of electronic information services	29,250	29,250	2,625,000	79.98	49,897	5,291	3,809	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Third party payment	150,000	150,000	9,642,857	12.05	6,968	(49,842)	(5,885)	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Third party payment	130,000	-	13,000,000	16.25	124,328	(49,842)	(5,105)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	2,268,459	2,268,459	77,281,128	100.00	848,557	70,353	70,353	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	952,618	952,618	40,416,628	98.85	383,468	88,560	87,542	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	112,713	112,713	30,701,775	100.00	7,641	648	648	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,102	9,102	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	198,392	198,392	7,297,649	42.71	173,994	(20,781)	(9,230)	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,376	1,376	375,000	30.00	-	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	62,777	62,777	2,200,000	100.00	21,032	(6,909)	(6,909)	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	209,732	209,732	294	49.00	57,755	(3,674)	(1,800)	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	595,000	595,000	25,528,035	100.00	119,196	(18,874)	(8,061)	
Achieve Made International Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	136,465	136,465	37,000,000	93.43	9,081	(2,213)	(883)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	25,000	25,000	1,045,455	95.83	(2,131)	(2,393)	(979)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	139,822	139,822	4,900,000	100.00	366	(54)	(23)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Three months ended March 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at March 31, 2021			Investment income		Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	\$ 9,542	\$ 9,542	2,600,000	6.57	\$ 639	(\$ 2,213)	(\$ 62)	
Bjolly Digital Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	1.20	8,999	(19,471)	(233)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,127,703	1,127,703	39,520,000	100.00	(1,028)	(645)	(638)	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	93,585	93,585	25,500,000	100.00	379,016	89,206	88,180	

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

Note 2: Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Note 3: As of March 31, 2021, Madsugr Digital Technology (HK) Co., Ltd., Fantasy Fish Digital Games Co., Ltd. and Coco Digital Technology Co., Ltd. are still under liquidation while the capital have been remitted back.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Information on investments in Mainland China

Three months ended March 31, 2021

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2021	Net loss of investee for the three months ended March 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2021	Book value of investments in Mainland China as of March 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2021	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,007,286	2	\$ 738,200	\$ -	\$ -	\$ 738,200	(\$ 644)	98.85	(\$ 637)	(\$ 3,209)	\$ -	Notes 3 and 6
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	2	42,803	-	-	42,803	-	-	-	-	-	Notes 4 and 7
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	112,713	2	112,713	-	-	112,713	(5,551)	42.71	(2,371)	(1,254)	-	Notes 5 and 8
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	21,720	2	-	-	-	-	(7,778)	42.71	(3,322)	(17,692)	-	Notes 5 and 8
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd.	Sales of agricultural products	14,268	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) Indirectly investment in Mainland China through companies registered in a third region.

(3) Other methods.

Note 2: The accumulated remittance as of January 1, 2021, remitted or collected this year, accumulated as of March 31, 2021 was translated into New Taiwan dollars at the average exchange rate of NTD28.535 to US\$1 and NTD4.344 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 three months ended March 31, 2021 was recognised based on the indirect weighted-average ownership percentage of 98.85% and on their financial statements for the corresponding period, which were reviewed.

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 March 31, 2021.

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 Holdings Ltd. 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 March 31, 2021	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)	\$ 781,003	\$ 1,310,127	\$ 3,492,576
Jollywiz Digital Technology Co., Ltd.	112,713	112,713	167,449

Note: The total investment amount approved by the Investment Commission, MOEA, was USD45,913 thousand or \$1,310,127 based on 28.535 spot exchange rate at March 31, 2021.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Major shareholders information

March 31, 2021

Table 8

Name of major shareholders	Shares	Number of shares held	Ownership (%)
Liu Bo Yuan		20,291,305	11.56%
Wanwin International Co., Ltd.		15,101,000	8.60%
Joy Develop Co., Ltd. Taiwan Branch		13,639,000	7.77%
Shiang Sheng Invesement Ltd.		13,600,000	7.75%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed represents the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and the trust assets which can be allocated. For the information of reported share equity of insider, please refer to Market Observation Post System.