

**GAMANIA DIGITAL ENTERTAINMENT CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
SEPTEMBER 30, 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.

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR21000135

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 September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and nine months then ended as well as the related consolidated statements of changes in equity and of cash flows for the nine 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 the 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

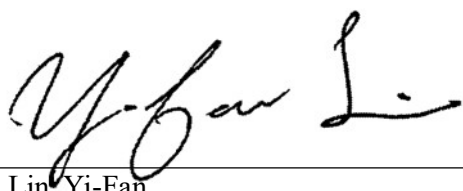
As explained in Notes 4(3)B and 6(8), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method were not reviewed by independent auditors. Total assets (including investments accounted for under equity method) amounted to \$1,213,019 thousand and \$2,918,785 thousand, constituting 12% and 30% of the consolidated total assets as at September 30, 2021 and 2020, respectively, total liabilities amounted to \$264,329 thousand

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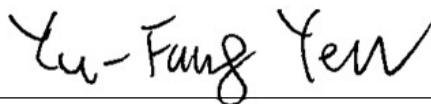
and \$898,213 thousand, constituting 6% and 22% of the consolidated total liabilities as at September 30, 2021 and 2020, respectively, and the total comprehensive income (loss) (including share of profit (loss) of associates and joint ventures accounted for under equity method) amounted to (\$109,202) thousand, (\$27,552) thousand, (\$218,357) thousand and (\$12,247) thousand, constituting (27%), (14%), (26%) and (2%) of the consolidated total comprehensive income (loss) for the three months and six 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 September 30, 2021 and 2020, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six 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

November 12, 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
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Assets	Notes	September 30, 2021		December 31, 2020		September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 3,466,206	35	\$ 2,397,601	26	\$ 2,244,282	23
1136	Financial assets at amortised cost - current	6(7) and 8	100,303	1	102,626	1	62,528	1
1150	Notes receivable, net	6(2)	2,596	-	4,533	-	1,417	-
1170	Accounts receivable, net	6(2)	1,197,297	12	944,691	10	1,195,457	13
1180	Accounts receivable - related parties, net	7	14,011	-	13,345	-	15,531	-
1200	Other receivables	6(3)	84,710	1	258,160	3	282,736	3
1210	Other receivables - related parties	7	1,553	-	2,642	-	36,153	-
1220	Current income tax assets		3,815	-	9,580	-	15,979	-
130X	Inventory	6(4)	118,160	1	125,906	1	101,949	1
1410	Prepayments	6(5)	435,144	5	423,105	5	520,955	5
1470	Other current assets	8	136,970	1	100,446	1	137,068	2
11XX	Total current assets		<u>5,560,765</u>	<u>56</u>	<u>4,382,635</u>	<u>47</u>	<u>4,614,055</u>	<u>48</u>
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	174,257	2	182,953	2	186,011	2
1550	Investments accounted for under equity method	6(8)	180,141	2	205,090	2	212,988	2
1600	Property, plant and equipment	6(9) and 8	2,805,678	28	2,845,436	31	2,851,928	30
1755	Right-of-use assets	6(10)	63,263	1	66,589	1	51,902	1
1780	Intangible assets	6(12)	941,088	9	1,411,663	15	1,559,818	16
1840	Deferred income tax assets		191,104	2	165,441	2	109,700	1
1900	Other non-current assets	6(13)	50,614	-	45,088	-	43,657	-
15XX	Total non-current assets		<u>4,406,145</u>	<u>44</u>	<u>4,922,260</u>	<u>53</u>	<u>5,016,004</u>	<u>52</u>
1XXX	Total assets		<u>\$ 9,966,910</u>	<u>100</u>	<u>\$ 9,304,895</u>	<u>100</u>	<u>\$ 9,630,059</u>	<u>100</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2021		December 31, 2020		September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(15)	\$ 557,129	5	\$ 226,148	3	\$ 637,186	7
2130	Current contract liabilities	6(25)	308,954	3	281,129	3	315,772	3
2150	Notes payable		-	-	1,211	-	-	-
2170	Accounts payable		575,617	6	500,183	5	554,344	6
2180	Accounts payable - related parties	7	5,398	-	4,060	-	1,975	-
2200	Other payables	6(16)	2,153,629	22	1,999,733	22	1,835,423	19
2220	Other payables - related parties	7	186,319	2	115,776	1	78,202	1
2230	Current income tax liabilities		181,104	2	193,041	2	201,199	2
2280	Current lease liabilities	7	24,290	-	30,142	-	26,055	-
2300	Other current liabilities	6(17)	198,798	2	228,179	3	216,738	2
21XX	Total current liabilities		<u>4,191,238</u>	<u>42</u>	<u>3,579,602</u>	<u>39</u>	<u>3,866,894</u>	<u>40</u>
Non-current liabilities								
2540	Long-term borrowings	6(18)	-	-	80,000	1	120,000	1
2570	Deferred income tax liabilities		68,015	1	66,637	1	58,551	1
2580	Lease liabilities - non-current	7	38,853	-	36,777	-	26,173	1
2600	Other non-current liabilities		30,622	-	30,148	-	21,798	-
25XX	Total non-current liabilities		<u>137,490</u>	<u>1</u>	<u>213,562</u>	<u>2</u>	<u>226,522</u>	<u>3</u>
2XXX	Total liabilities		<u>4,328,728</u>	<u>43</u>	<u>3,793,164</u>	<u>41</u>	<u>4,093,416</u>	<u>43</u>
Equity attributable to owners of parent								
	Share capital	6(21)						
3110	Common stock		1,754,936	18	1,754,936	19	1,754,936	18
	Capital surplus	6(22)						
3200	Capital surplus		1,345,372	14	1,352,471	14	1,352,739	14
	Retained earnings	6(23)						
3310	Legal reserve		378,451	4	264,787	3	264,787	3
3320	Special reserve		551,904	5	171,976	2	171,976	2
3350	Unappropriated retained earnings		1,702,978	17	1,992,382	21	1,933,428	20
	Other equity interest	6(24)						
3400	Other equity interest		(578,008)	(6)	(551,904)	(6)	(527,512)	(6)
31XX	Equity attributable to owners of the parent		<u>5,155,633</u>	<u>52</u>	<u>4,984,648</u>	<u>53</u>	<u>4,950,354</u>	<u>51</u>
36XX	Non-controlling interest	4(3)	482,549	5	527,083	6	586,289	6
3XXX	Total Equity		<u>5,638,182</u>	<u>57</u>	<u>5,511,731</u>	<u>59</u>	<u>5,536,643</u>	<u>57</u>
	Significant contingent liabilities and unrecorded contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 9,966,910</u>	<u>100</u>	<u>\$ 9,304,895</u>	<u>100</u>	<u>\$ 9,630,059</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
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)
(REVIEWED, NOT AUDITED)

	Items	Notes	Three months ended September 30,				Nine months ended September 30,			
			2021		2020		2021		2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(25) and 7	\$ 3,530,516	100	\$ 2,617,487	100	\$ 9,044,105	100	\$ 8,321,684	100
5000	Operating costs	6(4)(30) and 7	(2,030,448)	(58)	(1,566,937)	(60)	(5,461,392)	(60)	(5,040,326)	(61)
5950	Gross profit		<u>1,500,068</u>	<u>42</u>	<u>1,050,550</u>	<u>40</u>	<u>3,582,713</u>	<u>40</u>	<u>3,281,358</u>	<u>39</u>
	Operating expenses	6(30) and 7								
6100	Selling expenses		(358,048)	(10)	(314,312)	(12)	(1,040,624)	(12)	(877,329)	(11)
6200	General and administrative expenses		(351,534)	(10)	(289,260)	(11)	(926,000)	(10)	(951,161)	(11)
6300	Research and development expenses		(112,063)	(3)	(89,506)	(3)	(296,428)	(3)	(262,259)	(3)
6450	Expected credit impairment loss	12(2)	(34,796)	(1)	(3,655)	-	(42,241)	(1)	(19,597)	-
6000	Total operating expenses		(856,441)	(24)	(696,733)	(26)	(2,305,293)	(26)	(2,110,346)	(25)
6900	Operating income		<u>643,627</u>	<u>18</u>	<u>353,817</u>	<u>14</u>	<u>1,277,420</u>	<u>14</u>	<u>1,171,012</u>	<u>14</u>
	Non-operating income and expenses									
7100	Interest income	6(26)	686	-	1,473	-	2,476	-	9,587	-
7010	Other income	6(11)(27) and 7	2,405	-	4,921	-	11,725	-	27,828	-
7020	Other gains and losses	6(28)	(58,098)	(1)	(2,179)	-	(47,746)	-	(13,917)	-
7050	Finance costs	6(29) and 7	(1,380)	-	(2,921)	-	(4,878)	-	(9,542)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(8)	(31,104)	(1)	(42,028)	(2)	(58,451)	(1)	(94,183)	(1)
7000	Total non-operating income and expenses		(87,491)	(2)	(40,734)	(2)	(97,324)	(1)	(80,227)	(1)
7900	Profit before income tax		556,136	16	313,083	12	1,180,096	13	1,090,785	13
7950	Income tax expense	6(31)	(143,641)	(4)	(96,421)	(3)	(322,978)	(4)	(318,727)	(4)
8200	Profit for the period		<u>\$ 412,495</u>	<u>12</u>	<u>\$ 216,662</u>	<u>9</u>	<u>\$ 857,118</u>	<u>9</u>	<u>\$ 772,058</u>	<u>9</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,			
		2021		2020		2021		2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income, net									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised loss on investments in equity instruments at fair value through other comprehensive income	6(6)							
		(\$ 5,401)	-	(\$ 12,944)	(1)	(\$ 7,552)	-	(\$ 69,476)	(1)
8320	Share of other comprehensive loss of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss	6(24)							
		-	-	(7)	-	-	-	(7)	-
8310	Other comprehensive loss that will not be reclassified to profit or loss								
		(5,401)	-	(12,951)	(1)	(7,552)	-	(69,483)	(1)
Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations								
		(1,404)	-	(12,078)	-	(22,021)	-	(11,741)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(24)							
		-	-	-	-	-	-	662	-
8399	Income tax relating to the components of other comprehensive loss	6(31)							
		2,380	-	5,788	-	2,967	-	5,788	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss								
		976	-	(6,290)	-	(19,054)	-	(5,291)	-
8300	Total other comprehensive loss for the period								
		(\$ 4,425)	-	(\$ 19,241)	(1)	(\$ 26,606)	-	(\$ 74,774)	(1)
8500	Total comprehensive income for the period								
		\$ 408,070	12	\$ 197,421	8	\$ 830,512	9	\$ 697,284	8
Profit (loss) attributable to:									
8610	Owners of the parent								
		\$ 431,459	13	\$ 227,957	9	\$ 908,426	10	\$ 807,190	10
8620	Non-controlling interest								
		(18,964)	(1)	(11,295)	-	(51,308)	(1)	(35,132)	(1)
		\$ 412,495	12	\$ 216,662	9	\$ 857,118	9	\$ 772,058	9
Comprehensive income (loss) attributable to:									
8710	Owners of the parent								
		\$ 425,944	13	\$ 205,858	8	\$ 882,322	10	\$ 725,260	8
8720	Non-controlling interest								
		(17,874)	(1)	(8,437)	-	(51,810)	(1)	(27,976)	-
		\$ 408,070	12	\$ 197,421	8	\$ 830,512	9	\$ 697,284	8
Earnings per share (in dollars)									
9750	Basic earnings per share	6(32)							
		\$ 2.46		\$ 1.31		\$ 5.18		\$ 4.64	
9850	Diluted earnings per share	6(32)							
		\$ 2.43		\$ 1.30		\$ 5.10		\$ 4.57	

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
NINE MONTHS ENDED SEPTEMBER 30, 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 gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total		
2020														
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		-	-	-	-	-	-	807,190	-	-	-	807,190	(35,132)	772,058
Other comprehensive (loss) income for the period		-	-	-	-	-	-	-	(12,447)	(69,483)	-	(81,930)	7,156	(74,774)
Total comprehensive income (loss)		-	-	-	-	-	-	807,190	(12,447)	(69,483)	-	725,260	(27,976)	697,284
Appropriations of 2019 retained earnings	6(23)													
Legal reserve		-	-	-	-	88,790	-	(88,790)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(27,219)	27,219	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(544,030)	-	-	-	(544,030)	-	(544,030)
Change in equity of associates and joint ventures accounted for under equity method	6(8)	-	-	-	(2,496)	-	-	(787)	-	-	-	(3,283)	-	(3,283)
Change in ownership interest in subsidiaries	6(33)	-	-	-	(2,227)	-	-	(2,326)	-	-	-	(4,553)	45,867	41,314
Purchase of treasury shares		-	-	-	-	-	-	-	-	-	(91,449)	(91,449)	-	(91,449)
Share-based payment		-	-	-	65,863	-	-	-	-	-	-	65,863	-	65,863
Treasury share distributed to employees		-	-	65,869	(65,863)	-	-	-	-	-	91,449	91,455	-	91,455
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(17,904)	(17,904)
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	-	-	273,606	-	(273,606)	-	-	-	-
Balance at September 30, 2020		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 93,063	\$ 264,787	\$ 171,976	\$ 1,933,428	(\$ 85,621)	(\$ 441,891)	\$ -	\$ 4,950,354	\$ 586,289	\$ 5,536,643
2021														
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		-	-	-	-	-	-	908,426	-	-	-	(908,426)	(51,308)	857,118
Other comprehensive (loss) income for the period		-	-	-	-	-	-	-	(18,552)	(7,552)	-	(26,104)	(502)	(26,606)
Total comprehensive income (loss)		-	-	-	-	-	-	908,426	(18,552)	(7,552)	-	882,322	(51,810)	830,512
Appropriations of 2020 retained earnings	6(23)													
Legal reserve		-	-	-	-	113,664	-	(113,664)	-	-	-	-	-	-
Special reserve		-	-	-	-	-	379,928	(379,928)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(701,974)	-	-	-	(701,974)	-	(701,974)
Change in equity of associates and joint ventures accounted for under equity method	6(8)	-	-	-	1,074	-	-	-	-	-	-	1,074	-	1,074
Change in ownership interest in subsidiaries	6(33)	-	-	-	(8,173)	-	-	(2,264)	-	-	-	(10,437)	24,950	14,513
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(17,674)	(17,674)
Balance at September 30, 2021		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 85,696	\$ 378,451	\$ 551,904	\$ 1,702,978	(\$ 126,520)	(\$ 451,488)	\$ -	\$ 5,155,633	\$ 482,549	\$ 5,638,182

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Nine months ended September 30,	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,180,096	\$ 1,090,785
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)(30)	123,203	122,197
Amortisation	6(12)(30)	563,679	691,168
Expected credit impairment loss	12(2)	42,241	19,597
Interest expense	6(29)	4,878	9,542
Interest income	6(26)	(2,476)	(9,587)
Dividend income	6(6)	(145)	(463)
Share-based payments	6(20)	-	65,863
Share of loss of subsidiaries and associates accounted for under equity method	6(8)	58,451	94,183
Loss (gain) on disposal of property, plant and equipment	6(28)	44	(233)
Gain on disposal of investment	6(28)	(26)	-
Impairment loss on non-financial assets	6(14)(28)	64,042	10,119
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		1,937	(906)
Accounts receivable		(292,225)	(144,599)
Accounts receivable - related parties		(666)	(8,829)
Other receivables		170,952	(926)
Other receivables - related parties		1,089	(34,631)
Inventories		7,746	14,480
Prepayments		(12,039)	23,679
Other current assets		(2,842)	7,377
Other non-current assets		1,295	(1,862)
Changes in operating liabilities			
Contract liabilities - current		27,825	(19,282)
Notes payable		(1,211)	(1,237)
Accounts payable		75,434	13,605
Accounts payable - related parties		1,338	1,678
Other payables		173,376	(63,839)
Other payables - related parties		70,543	8,872
Other current liabilities		10,619	6,291
Other non-current liabilities		646	(121)
Cash inflow generated from operations		2,267,804	1,892,921
Interest received		2,476	9,587
Dividends received		728	1,083
Interest paid		(4,878)	(9,542)
Income tax paid		(350,469)	(172,062)
Net cash provided by operating activities		<u>1,915,661</u>	<u>1,721,987</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Nine months ended September 30,	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Disposal of financial assets at fair value through other comprehensive income	6(6)	\$ -	\$ 294,116
Liquidation of financial assets at fair value through other comprehensive income	6(6)	-	2,331
Decrease (increase) in financial assets as amortised cost		2,323 (22,343)
(Increase) decrease in other financial assets		(33,682)	38,029
Acquisition of investments accounted for under equity method	6(8)	(34,129)	(98,295)
Proceeds from capital reduction of investments accounted for under equity method	6(8)	-	23,340
Acquisition of property, plant and equipment	6(34)	(79,013)	(122,890)
Proceeds from disposal of property, plant and equipment		74	3,282
Acquisition of intangible assets	6(34)	(160,363)	(999,832)
Proceeds from disposal of intangible assets		-	392
(Increase) decrease in refundable deposits		(6,821)	90
Net cash used in investing activities		(311,611)	(881,780)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(35)	332,941 (109,138)
Repayment of long-term debt	6(35)	(120,000)	(120,000)
Purchase of treasury shares		-	(91,449)
Increase in subsidiaries capital from non-controlling interest	6(33)	13,977	12,009
(Decrease) increase in guarantee deposits received		(172)	2,471
Payment of lease liabilities	6(35)	(24,021)	(19,862)
Cash dividends paid	6(23)	(701,974)	(544,030)
Sale of treasury shares to employees		-	91,455
Cash dividends paid to non-controlling interest		(16,852)	(13,742)
Acquisition of additional equity interest in subsidiaries	6(33)	(822)	-
Net cash used in financing activities		(516,923)	(792,286)
Effect of exchange rate changes on cash and cash equivalents		(18,522)	(6,372)
Net increase in cash and cash equivalents		1,068,605	41,549
Cash and cash equivalents at beginning of the period		2,397,601	2,202,733
Cash and cash equivalents at end of the period		\$ 3,466,206	\$ 2,244,282

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

NINE MONTHS ENDED SEPTEMBER 30, 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 authorised for issuance by the Board of Directors on November 12, 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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as

follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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.

(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 International Accounting Standards Board</u>
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 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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
			September 30, 2021	December 31, 2020	September 30, 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)	Joymobee 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	43.03	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	Note 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

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
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
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	95.83	Notes 1, 2 and 5
Bjolly Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	1.10	1.32	1.32	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	99.90	99.84	99.84	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	97.23	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

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
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
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	Notes 1, 2 and 9
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	78.97	78.41	78.41	Notes 1, 2 and 6
Gamania Digital Entertainment Co., Ltd.	Digicentre Company Limited (Digicentre)	Software services	67.48	67.48	67.48	Note 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	Note 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
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. (MadSugr HK)	Software services and sales	-	100	100	Notes 1, 2 and 8
Ciirco Inc.	Ciirco (HK) Co., Ltd. (Ciirco HK)	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	4.17	Notes 1, 2 and 5
Digicentre Company Limited	Digicentre (HK) Company Limited	Software services	100	100	100	Note 2
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd. (Hyperg)	Software services	51	51	51	Note 2

Note 1: The financial statements of the entity as of and for the nine months ended September 30, 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 nine months ended September 30, 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: The Company and its subsidiary, Bjolly, held a 78.97% and 1.10% equity interest in Nownews, respectively and had control over the investee, thus, the investee was included in the consolidated financial statements.

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.

Note 8: The liquidation of Madsugr HK was completed in June 2021.

Note 9: The liquidation of Coco was completed in July 2021.

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 September 30, 2021, December 31, 2020 and September 30, 2020, the non-controlling interest amounted to \$482,549, \$527,083 and \$586,289, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest						Description
		September 30, 2021		December 31, 2020		September 30, 2020		
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 191,910	56.97%	\$ 231,538	57.29%	\$ 288,071	57.94%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	127,516	32.52%	134,837	32.52%	134,990	32.52%	

Note: Registered location of AMI is British Virgin Islands.

Balance sheets

	AMI and subsidiaries		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 422,712	\$ 629,323	\$ 704,349
Non-current assets	57,786	68,011	60,704
Current liabilities	(127,501)	(270,192)	(242,899)
Total net assets	\$ 352,997	\$ 427,142	\$ 522,154

	Digicentre Company Limited and subsidiaries		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 344,343	\$ 349,387	\$ 317,247
Non-current assets	253,903	253,147	249,710
Current liabilities	(215,350)	(212,876)	(182,382)
Non-current liabilities	(35,726)	(23,152)	(21,057)
Total net assets	\$ 347,170	\$ 366,506	\$ 363,518

Statements of comprehensive income

	AMI and subsidiaries	
	Three months ended September 30,	
	2021	2020
Revenue	\$ 175,327	\$ 212,851
Loss before income tax	(28,126)	(15,985)
Income tax benefit	-	-
Loss for the period	(28,126)	(15,985)
Other comprehensive (loss) income, net of tax	(10)	7,405
Total comprehensive loss for the period	(\$ 28,136)	(\$ 8,580)
Comprehensive loss attributable to non-controlling interest	(\$ 17,490)	(\$ 4,641)
Dividends paid to non-controlling interest	\$ -	\$ -

	AMI and subsidiaries	
	Nine months ended September 30,	
	2021	2020
Revenue	\$ 583,712	\$ 623,070
Loss before income tax	(60,836)	(43,495)
Income tax benefit	-	-
Loss for the period	(60,836)	(43,495)
Other comprehensive (loss) income, net of tax	(5,761)	13,561
Total comprehensive loss for the period	(\$ 66,597)	(\$ 29,934)
Comprehensive loss attributable to non-controlling interest	(\$ 40,037)	(\$ 16,668)
Dividends paid to non-controlling interest	\$ -	\$ -

	Digicentre Company Limited and subsidiaries	
	Three months ended September 30,	
	2021	2020
Revenue	\$ 270,247	\$ 196,120
Profit before income tax	4,879	8,287
Income tax expense	(1,480)	(1,752)
Profit for the period	3,399	6,535
Other comprehensive loss, net of tax	(28)	(834)
Total comprehensive income for the period	\$ 3,371	\$ 5,701
Comprehensive income attributable to non-controlling interest	(\$ 183)	\$ 1,730
Dividends paid to non-controlling interest	\$ -	\$ -

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 714,808	\$ 660,053
Profit before income tax	18,584	24,798
Income tax expense	(7,427)	(7,523)
Profit for the period	11,157	17,275
Other comprehensive loss, net of tax	(460)	(1,454)
Total comprehensive income for the period	<u>\$ 10,697</u>	<u>\$ 15,821</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 2,924</u>	<u>\$ 6,414</u>
Dividends paid to non-controlling interest	<u>\$ 8,555</u>	<u>\$ 8,554</u>

Statements of cash flows

	<u>AMI and subsidiaries</u>	
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Net cash provided by (used in) operating activities	\$ 33,415	(\$ 30,376)
Net cash provided by (used in) investing activities	23,129	(11,901)
Net cash (used in) provided by financing activities	(21,828)	28,861
Effect of exchange rate changes on cash and cash equivalents	<u>5,979</u>	<u>11,589</u>
Increase (decrease) in cash and cash equivalents	40,695	(1,827)
Cash and cash equivalents, beginning of period	<u>109,685</u>	<u>221,074</u>
Cash and cash equivalents, end of period	<u>\$ 150,380</u>	<u>\$ 219,247</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Net cash (used in) provided by operating activities	(\$ 18,426)	\$ 35,377
Net cash used in investing activities	(7,802)	(36,063)
Net cash used in financing activities	(3,702)	(16,272)
Effect of exchange rate changes on cash and cash equivalents	<u>(3,039)</u>	<u>(711)</u>
Decrease in cash and cash equivalents	(32,969)	(17,669)
Cash and cash equivalents, beginning of period	<u>134,743</u>	<u>105,176</u>
Cash and cash equivalents, end of period	<u>\$ 101,774</u>	<u>\$ 87,507</u>

(4) Employee benefits

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.

(5) Income tax

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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash on hand and petty cash	\$ 1,826	\$ 4,049	\$ 4,871
Checking accounts and demand deposits	2,919,722	1,698,680	1,570,087
Cash equivalents - time deposits	<u>544,658</u>	<u>694,872</u>	<u>669,324</u>
	<u>\$ 3,466,206</u>	<u>\$ 2,397,601</u>	<u>\$ 2,244,282</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Notes receivable	<u>\$ 2,596</u>	<u>\$ 4,533</u>	<u>\$ 1,417</u>

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts receivable	\$ 1,254,426	\$ 982,111	\$ 1,218,391
Less: Loss allowance	(57,129)	(37,420)	(22,934)
	<u>1,197,297</u>	<u>944,691</u>	<u>1,195,457</u>
Overdue receivables (shown as other non-current assets)	106,360	99,824	99,824
Less: Loss allowance	(106,360)	(99,824)	(99,824)
	<u>\$ 1,197,297</u>	<u>\$ 944,691</u>	<u>\$ 1,195,457</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Not past due	\$ 1,130,710	\$ 867,296	\$ 1,140,196
Up to 30 days	24,536	21,655	26,264
31~60 days	33,423	13,396	9,386
61~90 days	20,672	7,000	9,563
91~120 days	4,904	25,423	2,161
Over 121 days	40,181	47,341	30,821
	<u>\$ 1,254,426</u>	<u>\$ 982,111</u>	<u>\$ 1,218,391</u>

The above ageing analysis was based on past due date.

B. As at September 30, 2021, December 31, 2020 and September 30, 2020, the Group has no notes receivable past due.

C. As at September 30, 2021, December 31, 2020, September 30, 2020 and January 1, 2020, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to \$1,363,382, \$1,086,468, \$1,319,632 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 September 30, 2021, December 31, 2020 and September 30, 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 \$2,596, \$4,533 and \$1,417, and accounts receivable was \$1,197,297, \$944,691 and \$1,195,457, respectively.

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

(3) Other receivables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other receivables	\$ 91,673	\$ 265,563	\$ 293,494
Less: Loss allowance	(6,963)	(7,403)	(10,758)
	<u>\$ 84,710</u>	<u>\$ 258,160</u>	<u>\$ 282,736</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Not past due	\$ 54,700	\$ 221,516	\$ 131,632
Up to 30 days	13,796	11,491	33,018
31 to 60 days	7,722	8,417	101,915
61 to 90 days	5,578	7,110	18,728
91 to 120 days	743	6,390	26
Over 121 days	9,134	10,639	8,175
	<u>\$ 91,673</u>	<u>\$ 265,563</u>	<u>\$ 293,494</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 September 30, 2021, December 31, 2020 and September 30, 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 \$84,710, \$258,160 and \$282,736, respectively.

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

(4) Inventories

	<u>September 30, 2021</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 121,140</u>	<u>(\$ 2,980)</u>	<u>\$ 118,160</u>
	<u>December 31, 2020</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 128,333</u>	<u>(\$ 2,427)</u>	<u>\$ 125,906</u>
	<u>September 30, 2020</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 105,104</u>	<u>(\$ 3,155)</u>	<u>\$ 101,949</u>

Expenses and losses incurred on inventories for the period:

	Three months ended September 30,	
	2021	2020
Cost of goods sold	\$ 128,639	\$ 163,803
Loss on decline in market value	401	314
	<u>\$ 129,040</u>	<u>\$ 164,117</u>
	Nine months ended September 30,	
	2021	2020
Cost of goods sold	\$ 485,857	\$ 470,155
Loss on decline in market value	553	1,028
	<u>\$ 486,410</u>	<u>\$ 471,183</u>

(5) Prepayments

	September 30, 2021	December 31, 2020	September 30, 2020
Prepayments to suppliers	\$ 287,783	\$ 282,162	\$ 343,188
Prepaid expenses	83,361	95,799	133,764
Excess business tax paid	60,808	42,910	41,953
Others	3,192	2,234	2,050
	<u>\$ 435,144</u>	<u>\$ 423,105</u>	<u>\$ 520,955</u>

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

Items	September 30, 2021	December 31, 2020	September 30, 2020
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	<u>538,190</u>	<u>538,190</u>	<u>538,190</u>
	636,566	636,566	636,566
Valuation adjustment	(462,309)	(453,613)	(450,555)
	<u>\$ 174,257</u>	<u>\$ 182,953</u>	<u>\$ 186,011</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 \$174,257, \$182,953 and \$186,011 as at September 30, 2021, December 31, 2020 and September 30, 2020, respectively.
- B. In the third quarter of 2020, in line with the Group's business development and resource allocation plan, the Group sold its 15% equity interest in NC Taiwan Co., Ltd. at fair value in the amount of \$294,116 which resulted in a cumulative gain on disposal of \$271,275. Due to the dissolution of Hagame International Co., Ltd. in the third quarter of 2019 and the completion of liquidation in

the third quarter of 2020, the amount remitted back was \$2,331 and the cumulative loss on disposal was \$9,407.

C. 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:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Change of fair value recognised in other comprehensive loss	(\$ 5,401)	(\$ 12,944)
Cumulative gain reclassified to retained earnings due to derecognition	\$ -	\$ 273,606
Dividend income recognised in profit or loss held at end of the period	\$ 145	\$ 463
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Change of fair value recognised in other comprehensive loss	(\$ 7,552)	(\$ 69,476)
Cumulative gain reclassified to retained earnings due to derecognition	\$ -	\$ 273,606
Dividend income recognised in profit or loss held at end of the period	\$ 145	\$ 463

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

(7) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Current items:			
Time deposit more than three months	\$ 100,303	\$ 102,626	\$ 62,528

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

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Interest income	\$ 131	\$ 98
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Interest income	\$ 245	\$ 455

B. As at September 30, 2021, December 31, 2020 and September 30, 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 \$100,303, \$102,626 and \$62,528, 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	34,129	98,295
Proceeds from capital reduction of investments accounted for under equity method	-	(23,340)
Share of loss of investments accounted for under equity method	(58,451)	(94,183)
Earnings distribution of investments accounted for under equity method	(583)	(620)
Changes in capital surplus	1,074	(2,496)
Changes in retained earnings	-	(787)
Changes in other equity items	-	655
Effects of foreign exchange	(1,118)	46
At September 30	<u>\$ 180,141</u>	<u>\$ 212,988</u>

A. List of long-term investments:

Name of associates	September 30, 2021		December 31, 2020		September 30, 2020	
	Ownership percentage	Balance	Ownership percentage	Balance	Ownership percentage	Balance
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	\$ 64,039	49.00	\$ 59,451	49.00	\$ 63,979
Jsdway Digital Technology Co., Ltd. (Jsdway)	37.18	47,430	37.18	47,492	37.18	46,598
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.)	33.03	26,709	33.03	31,595	33.03	31,827
Walkermedia Co., Ltd. (Walkermedia)	30.00	13,219	30.00	19,425	30.00	20,795
Aotter Inc. (Aotter)	21.48	9,910	21.48	20,956	21.48	21,709
Fantasy Fish Digital Games Co., Ltd. (Fantasy Fish) (Note 1)	-	-	44.08	-	44.08	-
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.54	5,908	29.54	14,236	29.54	16,704
Store Marais Co., Ltd. (Marais) (Note 2)	7.69	9,818	7.69	8,382	7.69	7,974

Name of associates	September 30, 2021		December 31, 2020		September 30, 2020	
	Ownership percentage	Balance	Ownership percentage	Balance	Ownership percentage	Balance
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	2,617	30.00	3,017	30.00	2,899
4-Way Voice Cultural Co., Ltd. (4-Way Voice)	38.00	491	38.00	536	38.00	503
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 3)	30.00	-	30.00	-	30.00	-
ACCI Group Limited (ACCI) (Note 2)	30.00	-	30.00	-	30.00	-
Firedog creative Co., Ltd. (Firedog) (Note 3)	40.00	-	40.00	-	40.00	-
		<u>\$ 180,141</u>		<u>\$ 205,090</u>		<u>\$ 212,988</u>

The investments accounted for under equity method are based on financial statements of investees as of and for the three months ended September 30, 2021 and 2020, and nine months ended September 30, 2021 and 2020 which were not reviewed by independent auditors.

Note 1: The liquidation of Fantasy Fish was completed in June 2021.

Note 2: The Group has significant control over Marais as it has obtained majority of the board seats. Accordingly, Marais is accounted for under equity method.

Note 3: All impairment losses derived from equity investments have been recognised based on the Company's assessment.

- B. As of September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$180,141, \$205,090 and \$212,988, respectively. The Group's share of the operating results are summarised below:

	Three months ended September 30,	
	2021	2020
Loss for the period	(\$ 31,104)	(\$ 42,028)
Other comprehensive loss, net of tax	-	(7)
Total comprehensive loss	<u>(\$ 31,104)</u>	<u>(\$ 42,035)</u>
	Nine months ended September 30,	
	2021	2020
Loss for the period	(\$ 58,451)	(\$ 94,183)
Other comprehensive income, net of tax	-	655
Total comprehensive loss	<u>(\$ 58,451)</u>	<u>(\$ 93,528)</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	-	8,734	27,074	-	11,793	-	5,094	7,361	60,056
Disposals	-	-	(17)	-	(99)	-	(2)	-	(118)
Transfer	-	11,174	-	-	-	-	1,492	(12,666)	-
Depreciation charge	-	(26,934)	(49,595)	-	(9,712)	(6,164)	(7,202)	-	(99,607)
Net exchange differences	-	-	(85)	-	(4)	-	-	-	(89)
Closing net book amount as at September 30	<u>\$ 2,246,082</u>	<u>\$ 377,254</u>	<u>\$ 107,069</u>	<u>\$ 60</u>	<u>\$ 38,165</u>	<u>\$ 6,523</u>	<u>\$ 26,458</u>	<u>\$ 4,067</u>	<u>\$ 2,805,678</u>
<u>At September 30, 2021</u>									
Cost	\$ 2,246,082	\$ 536,585	\$ 451,707	\$ 1,226	\$ 90,978	\$ 35,330	\$ 42,827	\$ 4,067	\$ 3,408,802
Accumulated depreciation	-	(159,331)	(338,256)	(1,166)	(52,813)	(28,807)	(16,369)	-	(596,742)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 377,254</u>	<u>\$ 107,069</u>	<u>\$ 60</u>	<u>\$ 38,165</u>	<u>\$ 6,523</u>	<u>\$ 26,458</u>	<u>\$ 4,067</u>	<u>\$ 2,805,678</u>

	<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, 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	-	1,505	59,752	1,900	10,653	2,134	4,551	20,341	100,836
Disposals	-	-	(712)	(1,821)	(516)	-	-	-	(3,049)
Depreciation charge	-	(25,280)	(51,897)	(79)	(11,657)	(5,818)	(8,151)	-	(102,882)
Net exchange differences	-	-	(96)	-	(6)	2	-	-	(100)
Closing net book amount as at September 30	<u>\$ 2,246,082</u>	<u>\$ 385,231</u>	<u>\$ 137,599</u>	<u>\$ 60</u>	<u>\$ 34,900</u>	<u>\$ 12,536</u>	<u>\$ 15,013</u>	<u>\$ 20,507</u>	<u>\$ 2,851,928</u>
<u>At September 30, 2020</u>									
Cost	\$ 2,246,082	\$ 510,536	\$ 490,004	\$ 1,198	\$ 99,988	\$ 36,709	\$ 46,922	\$ 20,507	\$ 3,451,946
Accumulated depreciation	-	(125,305)	(346,023)	(1,138)	(65,088)	(24,173)	(31,909)	-	(593,636)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 385,231</u>	<u>\$ 137,599</u>	<u>\$ 60</u>	<u>\$ 34,900</u>	<u>\$ 12,536</u>	<u>\$ 15,013</u>	<u>\$ 20,507</u>	<u>\$ 2,851,928</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 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise buildings and multifunction printers. For the three months ended September 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020, payments of lease commitments for short-term leases amounted to \$1,023, \$5,625, \$2,293 and \$17,398, respectively.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 37,156	\$ 55,219	\$ 35,557
Land improvements	2,193	3,063	3,456
Transportation equipment (Business vehicles)	1,619	547	4,234
Machinery	22,295	7,760	8,655
	<u>\$ 63,263</u>	<u>\$ 66,589</u>	<u>\$ 51,902</u>

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Buildings	\$ 6,205	\$ 4,135
Land improvements	345	392
Transportation equipment (Business vehicles)	387	624
Machinery	1,238	895
	<u>\$ 8,175</u>	<u>\$ 6,046</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Buildings	\$ 18,282	\$ 14,662
Land improvements	869	738
Transportation equipment (Business vehicles)	1,416	1,229
Machinery	3,029	2,686
	<u>\$ 23,596</u>	<u>\$ 19,315</u>

- D. For the nine months ended September 30, 2021 and 2020, the additions to right-of-use assets were \$26,804 and \$13,333, respectively.

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

	Three months ended September 30,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 199	\$ 128
Expense on short-term lease contracts	\$ 1,023	\$ 5,625
	Nine months ended September 30,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 501	\$ 378
Expense on short-term lease contracts	\$ 2,293	\$ 17,398

F. For the nine months ended September 30, 2021 and 2020, the Group's total cash outflow for leases were \$26,815 and \$37,638, 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 September 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020 is as follows:

	Three months ended September 30,	
	2021	2020
Rent income	\$ 306	\$ 366
	Nine months ended September 30,	
	2021	2020
Rent income	\$ 1,091	\$ 1,119

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

	September 30, 2021	December 31, 2020	September 30, 2020
2020	\$ -	\$ -	\$ 257
2021	307	305	160
2022	305	-	-
	\$ 612	\$ 305	\$ 417

(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	106,907	37,454	15,479	-	-	-	159,840
Amortisation charge	(506,533)	(34,831)	(8,344)	-	(13,971)	-	(563,679)
Impairment loss	(64,042)	-	-	-	-	-	(64,042)
Net exchange differences	(683)	(165)	(795)	-	(129)	(922)	(2,694)
Closing net book amount as at September 30	<u>\$ 337,196</u>	<u>\$ 42,560</u>	<u>\$ 115,943</u>	<u>\$ 10,090</u>	<u>\$ 127,828</u>	<u>\$ 307,471</u>	<u>\$ 941,088</u>
<u>At September 30, 2021</u>							
Cost	\$ 1,707,241	\$ 69,964	\$ 156,524	\$ 10,090	\$ 195,859	\$ 381,834	\$ 2,521,512
Accumulated amortisation	(1,289,105)	(27,404)	(40,581)	-	(68,031)	-	(1,425,121)
Accumulated impairment	(80,940)	-	-	-	-	(74,363)	(155,303)
	<u>\$ 337,196</u>	<u>\$ 42,560</u>	<u>\$ 115,943</u>	<u>\$ 10,090</u>	<u>\$ 127,828</u>	<u>\$ 307,471</u>	<u>\$ 941,088</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	1,352,395	26,225	49,988	-	-	-	1,428,608
Amortisation charge	(628,726)	(38,096)	(10,222)	-	(14,124)	-	(691,168)
Disposals during the period	-	(392)	(4,162)	-	-	-	(4,554)
Reclassifications (Note)	-	-	(682)	-	-	-	(682)
Impairment loss	(10,119)	-	-	-	-	-	(10,119)
Net exchange differences	(2,358)	(197)	(728)	-	(248)	(1,287)	(4,818)
Closing net book amount as at September 30	<u>\$ 965,957</u>	<u>\$ 34,464</u>	<u>\$ 93,249</u>	<u>\$ 10,090</u>	<u>\$ 146,760</u>	<u>\$ 309,298</u>	<u>\$ 1,559,818</u>
<u>At September 30, 2020</u>							
Cost	\$ 1,690,431	\$ 98,740	\$ 146,380	\$ 10,090	\$ 197,852	\$ 383,758	\$ 2,527,251
Accumulated amortisation	(697,034)	(64,276)	(53,131)	-	(51,092)	-	(865,533)
Accumulated impairment	(27,440)	-	-	-	-	(74,460)	(101,900)
	<u>\$ 965,957</u>	<u>\$ 34,464</u>	<u>\$ 93,249</u>	<u>\$ 10,090</u>	<u>\$ 146,760</u>	<u>\$ 309,298</u>	<u>\$ 1,559,818</u>

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

A. The details of amortisation are as follows:

	Three months ended September 30,	
	2021	2020
Operating costs	\$ 183,410	\$ 433,212
Selling expenses	4,635	3,989
General and administrative expenses	5,760	8,187
Research and development expenses	1,952	1,166
	<u>\$ 195,757</u>	<u>\$ 446,554</u>

	Nine months ended September 30,	
	2021	2020
Operating costs	\$ 528,213	\$ 651,770
Selling expenses	12,566	14,554
General and administrative expenses	16,856	21,649
Research and development expenses	6,044	3,195
	<u>\$ 563,679</u>	<u>\$ 691,168</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Goodwill:			
NOWnews	\$ 197,055	\$ 197,055	\$ 197,055
Digicentre	141,149	141,149	141,149
AMI	17,155	17,543	17,925
GIH	24,887	25,450	26,004
Others	<u>1,588</u>	<u>1,607</u>	<u>1,625</u>
	381,834	382,804	383,758
Less: Accumulated impairment	<u>(74,363)</u>	<u>(74,411)</u>	<u>(74,460)</u>
	<u>\$ 307,471</u>	<u>\$ 308,393</u>	<u>\$ 309,298</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Overdue receivables	\$ 106,360	\$ 99,824	\$ 99,824
Less: Loss allowance for overdue receivables	(106,360)	(99,824)	(99,824)
Refundable deposits	48,243	41,422	40,346
Others	2,371	3,666	3,311
	<u>\$ 50,614</u>	<u>\$ 45,088</u>	<u>\$ 43,657</u>

(14) Impairment of non-financial assets

The Group recognised impairment loss for the three months and nine months ended September 30, 2021 and 2020 of \$64,042, \$0, \$64,042 and \$10,119, respectively. Details of such loss are as follows:

	Three months ended September 30,	
	2021	2020
	Recognised in profit or loss	Recognised in profit or loss
Impairment loss - license fees	\$ 64,042	\$ -

	Nine months ended September 30,	
	2021	2020
	Recognised in profit or loss	Recognised in profit or loss
Impairment loss - license fees	\$ 64,042	\$ 10,119

The Group recognised impairment loss on the license fees in the third quarter of 2021 and the second quarter of 2020 as the recoverable amount of the present value of future cash flows of license fees is less than the carrying amount.

(15) Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Bank borrowings			
Secured borrowings	\$ 92,129	\$ 123,615	\$ 142,154
Unsecured borrowings	465,000	102,533	495,032
	<u>\$ 557,129</u>	<u>\$ 226,148</u>	<u>\$ 637,186</u>
Credit lines	<u>\$ 3,221,830</u>	<u>\$ 3,225,870</u>	<u>\$ 3,386,171</u>
Interest rate range	<u>0.75%~5.80%</u>	<u>0.90%~6.10%</u>	<u>0.85%~6.10%</u>

(16) Other payables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Store-value received on behalf of others	\$ 827,273	\$ 778,208	\$ 696,930
Electronic payment received on behalf of others	51,318	25,128	20,586
Payable on business tax and withholding tax	122,581	66,411	69,477
Commission payable	87,576	71,239	79,219
Salary and annual bonus payable	185,117	186,024	201,753
Employees' compensation payable	167,832	159,073	154,129
Payable on equipment and intangible assets (Note)	459,368	478,848	454,453
Directors' remuneration payable	26,999	24,155	23,786
Others	<u>225,565</u>	<u>210,647</u>	<u>135,090</u>
	<u>\$ 2,153,629</u>	<u>\$ 1,999,733</u>	<u>\$ 1,835,423</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.

(17) Other current liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Long-term borrowings, current	\$ 120,000	\$ 160,000	\$ 160,000
Receipts under custody	18,704	18,757	7,139
Tax receipts under custody	16,019	15,289	15,006
Other current liabilities	<u>44,075</u>	<u>34,133</u>	<u>34,593</u>
	<u>\$ 198,798</u>	<u>\$ 228,179</u>	<u>\$ 216,738</u>

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>September 30, 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	\$ 120,000
Less: Current portion				(120,000)
				<u>\$ -</u>

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

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>September 30, 2020</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	1.40%~1.70%	Land and Buildings and structures	\$ 280,000
Less: Current portion				(160,000)
				<u>\$ 120,000</u>

(19) 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 September 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020 were \$276, \$29, \$629 and \$373, 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 nine months ended September 30, 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., Ciirco (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 September 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020 were \$13,151, \$11,156, \$29,754 and \$30,036, respectively.

(20) Share-based payment

- A. For the year ended September 30, 2020, the Company's share-based payment arrangement was as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
12th treasury stock transferred to employees of the Company and subsidiaries (Note)	2020.6.29	2,241	NA	Vested immediately

Note: For the 12th treasury stock transferred to employees of the Company and subsidiaries, the period of actual payment and transfer were from August 6, 2020 to August 10, 2020, and from September 2, 2020 to September 4, 2020, respectively.

- B. The fair value of treasury stock transferred to employees on June 29, 2020 is measured using the Black-Scholes pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
12th treasury stock transferred to employees of the Company and subsidiaries	2020.6.29	\$ 40.81	36.00%	0.12 year	0.34%	\$ 29.41

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

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

	Three months ended September 30, 2020	Nine months ended September 30, 2020
Equity-settled	\$ -	\$ 65,863

No expense was incurred on share-based payment transactions for the three months and nine months ended September 30, 2021.

(21) Common stock

A. As of September 30, 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:

	2021	2020
At January 1	175,494	175,494
Treasury shares purchased	-	(2,241)
Treasury stock transferred to employees	-	2,241
At September 30	175,494	175,494

B. Treasury shares

- (a) The Company has no treasury shares because they were all transferred to employees as of September 30, 2021, December 31, 2020 and September 30, 2020.
- (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.

(22) 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.

(23) 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:

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

F. On August 5, 2021, the shareholders during their 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>

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

(24) 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 Currency translation differences:			
- Group	(18,552)	-	(18,552)
At September 30	<u>(\$ 126,520)</u>	<u>(\$ 451,488)</u>	<u>(\$ 578,008)</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	-	(69,476)	(69,476)
Revaluation - Associates	-	(7)	(7)
Revaluation transferred to retained earnings - Group	-	(273,606)	(273,606)
Currency translation differences:			
- Group	(13,109)	-	(13,109)
- Associates	662	-	662
At September 30	(\$ 85,621)	(\$ 441,891)	(\$ 527,512)

(25) Operating revenue

	Three months ended September 30,	
	2021	2020
Revenue from contracts with customers	\$ 3,530,516	\$ 2,617,487
	Nine months ended September 30,	
	2021	2020
Revenue from contracts with customers	\$ 9,044,105	\$ 8,321,684

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 September 30, 2021	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 2,933,388	\$ 387,054	\$ 139,878	\$ 70,196	\$ 3,530,516
Timing of revenue recognition					
At a point in time	\$ 2,679,872	\$ 174,169	\$ 139,878	\$ 70,196	\$ 3,064,115
Over time	253,516	212,885	-	-	466,401
	\$ 2,933,388	\$ 387,054	\$ 139,878	\$ 70,196	\$ 3,530,516

Three months ended September 30, 2020	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	<u>\$ 2,115,460</u>	<u>\$ 206,425</u>	<u>\$ 224,086</u>	<u>\$ 71,516</u>	<u>\$ 2,617,487</u>
Timing of revenue recognition					
At a point in time	\$ 2,048,644	\$ 133,508	\$ 224,086	\$ 71,516	\$ 2,477,754
Over time	<u>66,816</u>	<u>72,917</u>	<u>-</u>	<u>-</u>	<u>139,733</u>
	<u>\$ 2,115,460</u>	<u>\$ 206,425</u>	<u>\$ 224,086</u>	<u>\$ 71,516</u>	<u>\$ 2,617,487</u>
Nine months ended September 30, 2021	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	<u>\$ 7,254,291</u>	<u>\$ 1,028,326</u>	<u>\$ 531,934</u>	<u>\$ 229,554</u>	<u>\$ 9,044,105</u>
Timing of revenue recognition					
At a point in time	\$ 6,765,454	\$ 444,877	\$ 531,934	\$ 229,554	\$ 7,971,819
Over time	<u>488,837</u>	<u>583,449</u>	<u>-</u>	<u>-</u>	<u>1,072,286</u>
	<u>\$ 7,254,291</u>	<u>\$ 1,028,326</u>	<u>\$ 531,934</u>	<u>\$ 229,554</u>	<u>\$ 9,044,105</u>
Nine months ended September 30, 2020	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	<u>\$ 6,681,663</u>	<u>\$ 829,091</u>	<u>\$ 608,183</u>	<u>\$ 202,747</u>	<u>\$ 8,321,684</u>
Timing of revenue recognition					
At a point in time	\$ 6,495,937	\$ 343,043	\$ 608,183	\$ 202,747	\$ 7,649,910
Over time	<u>185,726</u>	<u>486,048</u>	<u>-</u>	<u>-</u>	<u>671,774</u>
	<u>\$ 6,681,663</u>	<u>\$ 829,091</u>	<u>\$ 608,183</u>	<u>\$ 202,747</u>	<u>\$ 8,321,684</u>

B. Contract liabilities

- (a) The Group recognised contract liabilities related to the contract revenue from sales amounting to \$308,954, \$281,129, \$315,772 and \$335,054 as of September 30, 2021, December 31, 2020, September 30, 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 September 30,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Revenue from games	<u>\$ -</u>	<u>\$ -</u>

	Nine months ended September 30,	
	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

(26) Interest income

	Three months ended September 30,	
	2021	2020
Interest income from bank deposits	\$ 535	\$ 1,375
Interest income from financial assets at amortised cost	151	98
	<u>\$ 686</u>	<u>\$ 1,473</u>

	Nine months ended September 30,	
	2021	2020
Interest income from bank deposits	\$ 2,211	\$ 9,132
Interest income from financial assets at amortised cost	265	455
	<u>\$ 2,476</u>	<u>\$ 9,587</u>

(27) Other income

	Three months ended September 30,	
	2021	2020
Rental revenue	\$ 306	\$ 366
Other income	2,099	4,555
	<u>\$ 2,405</u>	<u>\$ 4,921</u>

	Nine months ended September 30,	
	2021	2020
Rental revenue	\$ 1,091	\$ 1,119
Other income	10,184	26,709
	<u>\$ 11,275</u>	<u>\$ 27,828</u>

(28) Other gains and losses

	Three months ended September 30,	
	2021	2020
Gain on disposal of property, plant and equipment	\$ 3	\$ -
Foreign exchange gain	7,048	1,553
Impairment loss	(64,042)	-
Other gains and losses	(1,107)	(3,732)
	<u>(\$ 58,098)</u>	<u>(\$ 2,179)</u>

	Nine months ended September 30,	
	2021	2020
(Loss) gain on disposal of property, plant and equipment	(\$ 44)	\$ 233
Gain on disposal of investments	26	-
Foreign exchange gain	19,622	960
Impairment loss	(64,042)	(10,119)
Other gains and losses	(3,308)	(4,991)
	<u>(\$ 47,746)</u>	<u>(\$ 13,917)</u>

(29) Finance costs

	Three months ended September 30,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 1,181	\$ 2,793
Lease liability	199	128
	<u>\$ 1,380</u>	<u>\$ 2,921</u>

	Nine months ended September 30,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 4,377	\$ 9,164
Lease liability	501	378
	<u>\$ 4,878</u>	<u>\$ 9,542</u>

(30) Employee benefit, depreciation and amortisation expense

	Three months ended September 30,	
	2021	2020
Employee benefit expense		
Wages and salaries	\$ 317,921	\$ 261,496
Directors' remuneration	16,907	7,344
Labor and health insurance fees	26,110	18,166
Pension costs	13,427	11,185
Other personnel expenses	15,469	12,105
	<u>\$ 389,834</u>	<u>\$ 310,296</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 42,658</u>	<u>\$ 40,556</u>
Amortisation expense	<u>\$ 195,757</u>	<u>\$ 446,554</u>

	Nine months ended September 30,	
	2021	2020
Employee benefit expense		
Wages and salaries	\$ 827,445	\$ 851,283
Directors' remuneration	33,170	23,956
Labor and health insurance fees	56,701	48,921
Pension costs	30,383	30,409
Other personnel expenses	33,964	33,945
	<u>\$ 981,663</u>	<u>\$ 988,514</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 123,203</u>	<u>\$ 122,197</u>
Amortisation expense	<u>\$ 563,679</u>	<u>\$ 691,168</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 September 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020, employees' compensation was accrued at \$62,007, \$29,670, \$129,220 and \$116,203, respectively; while directors' remuneration was accrued at \$16,777, \$6,068, \$32,920 and \$23,241, respectively. The aforementioned amounts were recognised in salary expenses.
- For the nine months ended September 30, 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' remuneration for 2020 amounted to \$118,052 and \$23,000, respectively, as resolved at the meeting of the 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.
- 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.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30,	
	2021	2020
Current tax:		
Current tax on profit for the period	\$ 160,807	\$ 96,005
Tax on unappropriated retained earnings	44	-
Total current tax	<u>160,851</u>	<u>96,005</u>
Deferred tax:		
Origination and reversal of temporary differences	(17,210)	416
Income tax expense	<u>\$ 143,641</u>	<u>\$ 96,421</u>

	Nine months ended September 30,	
	2021	2020
Current tax:		
Current tax on profit for the period	\$ 349,635	\$ 309,033
Tax on unappropriated retained earnings	44	10,804
Prior year income tax overestimation	(2,415)	(5,721)
Total current tax	<u>347,264</u>	<u>314,116</u>
Deferred tax:		
Origination and reversal of temporary differences	(24,286)	4,611
Income tax expense	<u>\$ 322,978</u>	<u>\$ 318,727</u>

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

	Three months ended September 30,	
	2021	2020
Currency translation differences	(\$ 2,380)	(\$ 5,788)

	Nine months ended September 30,	
	2021	2020
Currency translation differences	(\$ 2,967)	(\$ 5,788)

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

	Latest Year Assessed by Tax Authority
The Company, 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, Jollywiz	2019

(32) Earnings per share

<u>Three months ended September 30, 2021</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 431,459	175,494	\$ 2.46
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 431,459	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,259	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 431,459	177,753	\$ 2.43
<u>Three months ended September 30, 2020</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 227,957	173,893	\$ 1.31
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 227,957	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	1,856	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 227,957	175,749	\$ 1.30

Nine months ended September 30, 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	\$ 908,426	175,494	\$ 5.18
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 908,426	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,803	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 908,426	178,297	\$ 5.10
Nine months ended September 30, 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	\$ 807,190	174,131	\$ 4.64
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 807,190	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,543	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 807,190	176,674	\$ 4.57

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.

(33) 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, JollyBuy, GAMA PAY, Ciirco and NOWnews, increased capital by issuing new shares for cash, respectively, for the nine months ended September 30, 2021. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.86%, 4.01%, 0.06%, and 0.34%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>JollyBuy</u>	<u>GAMA PAY</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2021
Cash	\$ -	\$ -
Increase in carrying amount of non-controlling interest	(435)	(8,417)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$ 435)	(\$ 8,417)
	<u>Ciirco</u>	<u>NOWnews</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2021
Cash	\$ -	\$ 13,977
Increase in carrying amount of non-controlling interest	(29)	(15,232)
Decrease in unappropriated retained earnings	(\$ 29)	(\$ 1,255)
		<u>JollyBuy</u>
		Nine months ended September 30, 2021
Cash		\$ -
Increase in carrying amount of non-controlling interest		(980)
Decrease in unappropriated retained earnings		(\$ 980)

B. The subsidiaries, Hyperg, JollyBuy, Ciirco and NOWnews, increased capital by issuing new shares for technology and cash, respectively, for the nine months ended September 30, 2020. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership (decreased) increased by (49%) and 1.07%, 0.15% and 0.36%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>Hyperg</u>	<u>JollyBuy</u>
	Nine months ended September 30, 2020	Nine months ended September 30, 2020
Special Technology	\$ 29,305	\$ -
Increase in carrying amount of non-controlling interest	(29,090)	(1,097)
Capital surplus - changes in parent's ownership interest in subsidiary	<u>\$ 215</u>	<u>(\$ 1,097)</u>
	<u>Ciirco</u>	<u>NOWnews</u>
	Nine months ended September 30, 2020	Nine months ended September 30, 2020
Cash	\$ -	\$ 12,009
Increase in carrying amount of non-controlling interest	(40)	(13,104)
Decrease in unappropriated retained earnings	<u>(\$ 40)</u>	<u>(\$ 1,095)</u>

C. In July 2020, the external shareholders of the subsidiary, Bjolly discarded 45.46% of issued shares and retired its share capital. After cancellation of its share capital, the Group held 100% of the shares of Bjolly after the retirement. Accordingly, the carrying amount of non-controlling interest increased by \$2,536, capital surplus - changes in parent's ownership interest in subsidiaries decreased by \$1,346 and unappropriated retained earnings decreased by \$1,191.

D. The subsidiary, AMI, purchased treasury shares for the nine months ended September 30, 2021 totalling \$822. Therefore, the share ownership of the Group increased by 0.32%, the carrying amount of non-controlling interest decreased by \$143 and unappropriated retained earnings increased by \$679.

(34) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Acquisition of property, plant and equipment	\$ 60,056	\$ 100,836
Add: Opening balance of other payables	24,590	25,758
Less: Ending balance of other payables	(5,633)	(3,704)
Cash paid during the period	<u>\$ 79,013</u>	<u>\$ 122,890</u>

	Nine months ended September 30,	
	2021	2020
Acquisition of intangible assets	\$ 159,840	\$ 1,428,608
Add: Opening balance of other payables	454,258	45,085
Opening balance of other payables - related parties	-	6,193
Less: Ending balance of other payables	(453,735)	(450,749)
Increase in non-controlling interests	-	(29,305)
Cash paid during the period	<u>\$ 160,363</u>	<u>\$ 999,832</u>
	Nine months ended September 30,	
	2021	2020
Disposal of intangible assets	\$ -	\$ 4,554
Less: Decrease in non-controlling interest	-	(4,162)
Cash received during the period	<u>\$ -</u>	<u>\$ 392</u>

(35) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the nine months ended September 30, 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	332,941	(120,000)	(24,021)	188,920
Impact of changes in foreign exchange rate	(1,960)	-	(48)	(2,008)
Changes in other non-cash items				
Increase in right-of-use assets	-	-	26,804	26,804
Termination of right-of-use assets	-	-	(6,511)	(6,511)
September 30, 2021	<u>\$ 557,129</u>	<u>\$ 120,000</u>	<u>\$ 63,143</u>	<u>\$ 740,272</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	(109,138)	(120,000)	(19,862)	(249,000)
Impact of changes in foreign exchange rate	(1,855)	-	(136)	(1,991)
Changes in other non-cash items				
Increase in right-of-use assets	-	-	13,333	13,333
Termination of right-of-use assets	-	-	(958)	(958)
September 30, 2020	<u>\$ 637,186</u>	<u>\$ 280,000</u>	<u>\$ 52,228</u>	<u>\$ 969,414</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
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)	"
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"
Simsense Technology Sdn. Bhd.	"
Mercuries Life Insurance Co., Ltd.	"

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 September 30,	
	2021	2020
Sales of goods:		
Associates	\$ 640	\$ 11,442
Other related parties	25,348	3,798
	<u>\$ 25,988</u>	<u>\$ 15,240</u>
Sales of services:		
Associates	\$ 7,358	\$ 18,551
Other related parties	22,258	13,349
	<u>\$ 29,616</u>	<u>\$ 31,900</u>
	Nine months ended September 30,	
	2021	2020
Sales of goods:		
Associates	\$ 1,107	\$ 30,549
Other related parties	35,735	17,659
	<u>\$ 36,842</u>	<u>\$ 48,208</u>
Sales of services:		
Associates	\$ 18,118	\$ 46,090
Other related parties	71,953	45,342
	<u>\$ 90,071</u>	<u>\$ 91,432</u>

Sales of goods are on-line games revenue generated from game 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 September 30,	
	2021	2020
Service costs:		
Other related parties	\$ 3,271	\$ 853

	Nine months ended September 30,	
	2021	2020
Programs cost:		
Associates	\$ -	\$ 324
Service costs:		
Other related parties	6,035	4,490
	<u>\$ 6,035</u>	<u>\$ 4,814</u>

Programs costs are costs incurred in the production 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 September 30,	
	2021	2020
Associates	\$ 3,883	\$ 4,512
Other related parties	2,477	416
	<u>\$ 6,360</u>	<u>\$ 4,928</u>

	Nine months ended September 30,	
	2021	2020
Associates	\$ 13,324	\$ 15,085
Other related parties	13,027	12,378
	<u>\$ 26,351</u>	<u>\$ 27,463</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 September 30,	
	2021	2020
Other related party		
Gmania Cheer Up Foundation	\$ 11,000	\$ 1,000

	Nine months ended September 30,	
	2021	2020
Other related party		
Gmania Cheer Up Foundation	\$ 17,500	\$ 10,000

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 September 30,	
	2021	2020
Other related parties	\$ 77	\$ 78
	Nine months ended September 30,	
	2021	2020
Associates	\$ 23	\$ 23
Other related parties	233	235
	\$ 256	\$ 258

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, 2021.

F. Receivables

	September 30, 2021	December 31, 2020	September 30, 2020
Accounts receivable:			
Associates	\$ 4,756	\$ 6,390	\$ 12,153
Other related parties	9,255	6,955	3,378
	\$ 14,011	\$ 13,345	\$ 15,531
Other receivables:			
Associates	\$ 1,495	\$ 2,577	\$ 36,120
Other related parties	58	65	33
	\$ 1,553	\$ 2,642	\$ 36,153

Accounts receivable arise mainly from service revenue, advertising revenue and IDC services. Accounts receivable are not pledged as collateral, not subject to interest and no allowance was provided on such receivables.

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

G. Payables

	September 30, 2021	December 31, 2020	September 30, 2020
Accounts payable:			
Other related parties	\$ 5,397	\$ 4,060	\$ 1,975
Other payables:			
Associates	\$ 2,959	\$ 5,893	\$ 4,000
Other related parties	183,360	109,883	74,202
	\$ 186,319	\$ 115,776	\$ 78,202

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, and payables for mobile games development and advertisements.

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 September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amounts of right-of-use assets were \$56, \$224 and \$280, and lease liabilities were \$57, \$227 and \$283, respectively. For the three months and nine months ended September 30, 2021 and 2020, the Group recognised interest expense amounting to \$0, \$1, \$1 and \$4, 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 September 30,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 56,665	\$ 28,745
Post-employment benefits	54	81
Share-based payment	-	-
	<u>\$ 56,719</u>	<u>\$ 28,826</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 122,858	\$ 108,691
Post-employment benefits	189	243
Share-based payment	-	31,796
	<u>\$ 123,047</u>	<u>\$ 140,730</u>

8. PLEGGED ASSETS

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

<u>Pledged assets</u>	<u>Book value</u>			<u>Pledge purpose</u>
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	
Demand deposits (shown in "other current asset")	\$ 125,323	\$ 91,641	\$ 131,257	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 "financial assets at amortised cost - current")	40,393	64,178	62,528	Guarantee for short-term borrowing facility and credit card merchant
Property, plant and equipment				
Land	2,246,802	2,246,082	2,246,082	Short-term and long-term loans / Credit lines
Buildings and structures	254,240	258,473	259,884	Short-term and long-term loans / Credit lines
	<u>\$ 2,666,758</u>	<u>\$ 2,660,374</u>	<u>\$ 2,699,751</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

On November 12, 2021, the Company's board of directors has approved the following significant events:

- A. To meet the minimum capital amount regulated by the law of electronic payment and expand the electronic payment business, the Company and the subsidiary, GIH, plan to increase shares issued by the subsidiary, GAMA PAY, by not over \$200,000.
- B. To expand digital application and business, the Company and Wild Fire Entertainment Ltd. plan to hold new company, Hao-Ji film Ltd. The Company plans to invest \$30,000 in cash for a shareholding ratio of 42.9%.

C. The Company plans to dispose all the shares of IKALA GLOBAL ONLINE CORP., totaling 27,831 thousand shares, amounting to US \$1,300 thousand.

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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 174,257	\$ 182,953	\$ 186,011
Financial assets at amortised cost			
Cash and cash equivalents	\$ 3,466,206	\$ 2,397,601	\$ 2,244,282
Financial assets at amortised cost	100,303	102,626	62,528
Notes receivable	2,596	4,533	1,417
Accounts receivable (including related parties)	1,211,308	958,036	1,210,988
Other receivables (including related parties)	86,263	260,802	318,889
Other financial assets	125,323	91,641	131,257
Guarantee deposits paid	48,243	41,422	40,346
	<u>\$ 5,040,242</u>	<u>\$ 3,856,661</u>	<u>\$ 4,009,707</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 557,129	\$ 226,148	\$ 637,186
Notes payable	-	1,211	-
Accounts payable (including related parties)	581,015	504,243	556,319
Other payables (including related parties)	2,339,948	2,115,509	1,913,625
Long-term borrowings (including current portion)	120,000	240,000	280,000
Guarantee deposits received	12,453	12,625	12,492
	<u>\$ 3,610,545</u>	<u>\$ 3,099,736</u>	<u>\$ 3,399,622</u>
Lease liability (including related parties)	<u>\$ 63,143</u>	<u>\$ 66,919</u>	<u>\$ 52,228</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:

September 30, 2021			
(Foreign currency: Functional currency)	Foreign currency		Book value (NTD)
	amount (in thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 25,872	27.850	\$ 720,535
HKD:NTD	51,668	3.576	184,765
HKD:USD (Note)	165,698	0.128	590,680
USD:HKD (Note)	9,059	7.788	252,292
<u>Non-monetary items</u>			
USD:NTD	36,765	27.850	1,023,902
KRW:NTD	840,008	0.024	20,160
JPY:NTD	111,963	0.249	27,879
HKD:USD (Note)	128,328	0.128	458,894
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	27,950	27.850	778,408
HKD:USD (Note)	24,840	0.128	88,550
USD:HKD (Note)	1,798	7.788	50,074

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		Book value (NTD)
	amount (in thousands)	Exchange rate	
<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	0.026	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.

September 30, 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	\$ 15,335	29.100	\$ 446,249
HKD:NTD	17,771	3.754	66,712
HKD:USD (Note)	90,093	0.129	338,200
USD:HKD (Note)	10,654	7.752	310,030
<u>Non-monetary items</u>			
USD:NTD	32,413	29.100	943,225
KRW:NTD	720,040	0.025	18,001
JPY:NTD	106,714	0.276	29,453
HKD:USD (Note)	67,646	0.129	253,938
USD:HKD (Note)	114	7.752	3,317
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	25,436	29.100	740,188
USD:HKD (Note)	3,428	7.752	99,754

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 and nine months ended September 30, 2021 and 2020 amounted to \$7,048, \$1,553, \$19,622 and \$960, respectively.

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

(Foreign currency: Functional currency)	Nine months ended September 30, 2021		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 7,205	\$ -
HKD:NTD	1%	1,848	-
HKD:USD (Note)	1%	5,907	-
USD:HKD (Note)	1%	2,523	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	7,784	-
HKD:USD (Note)	1%	886	-
USD:HKD (Note)	1%	501	-

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

(Foreign currency: Functional currency)	Nine months ended September 30, 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%	\$ 4,462	\$ -
HKD:NTD	1%	667	-
HKD:USD (Note)	1%	3,382	-
USD:HKD (Note)	1%	3,100	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	7,402	-
USD:HKD (Note)	1%	998	-

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 nine months ended September 30, 2021 and 2020, other comprehensive income or loss would have increased by \$1,743 and \$1,860, 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 rates for short-term borrowings of the Group are mainly floating rate and for long-term borrowings are fixed and variable rates. During the nine months ended September 30, 2021 and 2020, the Group's borrowings at variable rate were denominated in NTD.
- ii. At September 30, 2021, December 31, 2020 and September 30, 2020, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the nine months ended September 30, 2021 and 2020 would have been \$35 and \$73 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 September 30, 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 September 30, 2021, December 31, 2020 and September 30, 2020, the provision matrix is as follows:

	September 30, 2021		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.09%~7.08%	\$ 1,185,410	\$ 8,617
Up to 30 days	0.10%~25.86%	38,332	1,906
31 to 60 days	1.00%~29.48%	41,145	3,339
61 to 90 days	10.00%~38.87%	26,250	2,703
91 to 120 days	59.25%~70.17%	5,647	3,346
Over 121 days	89.59%~100.00%	49,315	44,181
		\$ 1,346,099	\$ 64,092

	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>

	September 30, 2020		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.01%~2.11%	\$ 1,271,828	\$ 6,052
Up to 30 days	0.10%~2.16%	59,282	217
31 to 60 days	0.94%~4.37%	111,301	4,862
61 to 90 days	7.20%~12.01%	28,291	2,138
91 to 120 days	60.72%~61.65%	2,187	1,328
Over 121 days	47.48%~100.00%	38,996	19,095
		<u>\$ 1,511,885</u>	<u>\$ 33,692</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	39,619	2,622	42,241
Write-off	(11,447)	(2,941)	(14,388)
Effect of exchange rate changes	(1,927)	(121)	(2,048)
At September 30	<u>\$ 163,489</u>	<u>\$ 6,963</u>	<u>\$ 170,452</u>

	2020		
	Accounts receivable	Other receivables	Total
At January 1	\$ 146,463	\$ 70,368	\$ 216,831
Provision for impairment loss	16,616	2,981	19,597
Write-off	(40,162)	(62,441)	(102,603)
Effect of exchange rate changes	(159)	(150)	(309)
At September 30	<u>\$ 122,758</u>	<u>\$ 10,758</u>	<u>\$ 133,516</u>

For provisioned loss for the three months and nine months ended September 30, 2021 and 2020, the impairment losses arising from customers' contracts were \$34,796, \$3,655, \$42,241 and \$19,597, 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

<u>September 30, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 557,129	\$ -	\$ -
Accounts payable	575,617	-	-
Accounts payable - related parties	5,398	-	-
Other payables	2,153,629	-	-
Other payables - related parties	186,319	-	-
Lease liabilities	26,729	26,163	13,757
Long-term borrowings (including current portion)	120,840	-	-
<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
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	-

<u>September 30, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 637,186	\$ -	\$ -
Accounts payable	554,344	-	-
Accounts payable - related parties	1,975	-	-
Other payables	1,835,423	-	-
Other payables - related parties	78,202	-	-
Lease liabilities	27,474	26,551	-
Long-term borrowings (including current portion)	163,080	120,840	-

(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, OTC and emerging stocks 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>September 30, 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	\$ 54,941	\$ -	\$ 119,316	\$ 174,257

<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	\$ 56,962	\$ -	\$ 125,991	\$ 182,953
<u>September 30, 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	\$ 57,095	\$ -	\$ 128,916	\$ 186,011

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 nine months ended September 30, 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 nine months ended September 30, 2021 and 2020:

	Equity securities	
	2021	2020
At January 1	\$ 125,991	\$ 446,410
Loss recognised in other comprehensive income or loss	(5,531)	(21,780)
Disposals during the period	-	(294,116)
Effects of foreign exchange	(1,144)	(1,598)
At September 30	<u>\$ 119,316</u>	<u>\$ 128,916</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 September 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 119,316	Market comparable companies	Enterprise value to operating income ratio multiple	34.38~52.19 (41.98)	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 September 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 128,916	Market comparable companies	Enterprise value to operating income ratio multiple	32.81~54.70 (41.64)	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

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect 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:

		September 30, 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%	\$ -	\$ -	\$ 362 (\$ 362)
	Discount for lack of marketability	±1%	-	-	687 (687)

			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)

			September 30, 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%	\$ -	\$ -	\$ 398	(\$ 398)
	Discount for lack of marketability	±1%	-	-	760	(760)

(4) Other matters

In response to the impact of the novel coronavirus, the Group has activated relevant response mechanisms, and all offices have adopted high-standard epidemic prevention measures. The Group maintains normal operations and adopts different methods in response to government regulations, such as a comprehensive working from home model, the use of group A and B obtaining approval before entering the office, etc. In order to reduce physical contact and avoid the possibility of mutual infection, meetings are conducted online as much as possible and employees are required to report their health status on a routine basis. So far, the Group has resumed normal work mode and Covid 19 has no significant impact on the overall operations and financial situation of the Group.

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 nine months ended September 30, 2021 and 2020 is as follows:

Nine months ended September 30, 2021

	Gamania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	\$ 6,330,545	\$ 207,110	\$ 2,506,450	\$ 9,044,105	
Inter-segment revenue	222,385	529,820	566,672	1,318,877	Note 1
Segment operating profit	1,158,254	141,162	(21,996)	1,277,420	
Segment profit (loss), net of tax	908,426	121,432	(172,740)	857,118	
Segment profit (loss) includes:					
Depreciation and amortisation	(599,601)	(13,546)	(73,735)	(686,882)	
Income tax expense	(228,713)	(28,042)	(66,223)	(322,978)	
Investment (loss) income accounted for under equity method	(15,692)	(11,614)	(31,145)	(58,451)	Note 2

Nine months ended September 30, 2020

	Gamania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	\$ 5,795,600	\$ 176,434	\$ 2,349,650	\$ 8,321,684	
Inter-segment revenue	108,674	439,213	689,470	1,237,357	Note 1
Segment operating profit	995,447	111,052	64,513	1,171,012	
Segment profit (loss), net of tax	807,190	107,604	(142,736)	772,058	
Segment profit (loss) includes:					
Depreciation and amortisation	(631,330)	(14,323)	(167,712)	(813,365)	
Income tax expense	(223,047)	(30,449)	(65,231)	(318,727)	
Investment (loss) income accounted for under equity method	(97)	13,526	(107,612)	(94,183)	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(25) and segment revenue is as follows:

	Nine months ended September 30, 2021			
	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) Company Limited	Others	Total
Online and mobile games revenue	\$ 6,312,715	\$ -	\$ 941,576	\$ 7,254,291
Service revenue	17,830	-	1,010,496	1,028,326
Sales revenue	-	-	531,934	531,934
Revenue from stored-values	-	207,110	22,444	229,554
	<u>\$ 6,330,545</u>	<u>\$ 207,110</u>	<u>\$ 2,506,450</u>	<u>\$ 9,044,105</u>

	Nine months ended September 30, 2020			
	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) Company Limited	Others	Total
Online and mobile games revenue	\$ 5,756,480	\$ -	\$ 925,183	\$ 6,681,663
Service revenue	39,120	-	789,971	829,091
Sales revenue	-	-	608,183	608,183
Revenue from stored-values	-	176,434	26,313	202,747
	<u>\$ 5,795,600</u>	<u>\$ 176,434</u>	<u>\$ 2,349,650</u>	<u>\$ 8,321,684</u>

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

Nine months ended September 30, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021	Outstanding endorsement/ guarantee amount at September 30, 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
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	The Company	JollyBuy Digital Technology Co., Ltd.	2	\$ 515,563	\$ 30,000	\$ 30,000	\$ -	\$ -	0.58	\$ 5,155,633	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	3	116,997	35,178	30,183	30,183	9,055	10.32	116,997	Y	N	Y	Note 4
2	Achieve Made International (BVI)	Jollywiz Digital Technology Co., Ltd.	3	133,755	100,000	100,000	18,000	18,000	29.91	133,755	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)

September 30, 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 September 30, 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	36,162	5.26	36,162	
The Company	Life Plus Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	861	5,608	9.09	5,608	
The Company	Pili International Multimedia Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	1,958	45,230	3.82	45,230	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	388	9,711	3.57	9,711	
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	27,353	2.59	27,353	
Gamania International Holdings Ltd.	Ikala Global Online Corp. - stock	None	Financial assets at fair value through other comprehensive income - non-current	27,831	23,252	3.43	23,252	

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
Nine months ended September 30, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Differences in transaction terms compared to third party transactions							Footnote
				Transaction	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)	Balance	
Gash Point Co., Ltd.	The Company	Parent company	Service revenue	\$ 314,885	56.45	Note	Note	Note	\$ 36,179	5.74	
Conetter Comarketing Co., Ltd.	The Company	Parent company	Service revenue	152,264	27.84	Note	Note	Note	6,030	8.13	
Digicentre Company Limited	The Company	Parent company	Operating revenue	168,969	31.70	Note	Note	Note	27,730	18.87	
ANTS' POWER CO., LTD.	The Company	Parent company	Operating revenue	102,774	65.62	Note	Note	Note	40,184	73.73	

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
 September 30, 2021

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of September 30, 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	\$ 912,612	-	\$ -	-	\$ 417,384	\$ 59	Note 2
The Company	Gash Point (HK) Co., Ltd.	Subsidiary	112,822	-	-	-	89,642	-	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to November 12, 2021.

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Nine months ended September 30, 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	\$ 42,666	Note 5	0.43
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	98,991	Note 5	1.09
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	42,712	Note 5	0.47
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	912,612	Note 5	9.16
0	The Company	Gash Point (HK) Co., Ltd.	1	Accounts receivable	112,822	Note 5	1.13
0	The Company	HaPod Digital Technology Co., Ltd.	1	Sales of services	10,519	Note 5	0.12
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	96,457	Note 5	0.97
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	HaPod Digital Technology Co., Ltd.	3	Other receivables	27,863	Note 5	0.28
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point Co., Ltd.	3	Accounts receivable	13,103	Note 5	0.13
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	81,574	Note 5	0.82
2	Joymobee Entertainment Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Advertisement revenue	10,104	Note 5	0.11
3	Gash Point Co., Ltd.	The Company	2	Accounts receivable	36,179	Note 5	0.36
3	Gash Point Co., Ltd.	The Company	2	Sales of services	314,885	Note 5	3.48
3	Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	3	Other receivables	15,781	Note 5	0.16
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	102,774	Note 5	1.14

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Nine months ended September 30, 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	
4	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	\$ 40,184	Note 5	0.40
5	Digicentre Company Limited	The Company	2	Accounts receivable	27,730	Note 5	0.28
5	Digicentre Company Limited	The Company	2	Operating revenue	168,969	Note 5	1.87
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	43,088	Note 5	0.43
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	91,575	Note 5	1.01
6	HaPod Digital Technology Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Revenue from royalties	15,035	Note 5	0.17
7	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	152,264	Notes 4 and 5	1.68
8	Hyperg Smart Security Technolgy Pte. Ltd.	Digicentre Company Limited	3	Sales of services	19,112	Note 5	0.21

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)
Nine months ended September 30, 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 September 30, 2021			Investment income		Footnote
				Balance as at September 30, 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	\$ 2,251,806	\$ 2,251,806	46,278,315	100.00	\$ 854,610	\$ 100,258	\$ 103,543	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	119,955	(20,496)	(20,496)	
The Company	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	(20)	(20)	Note 2
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	540,000	480,000	24,600,000	97.23	67,750	(43,593)	(42,172)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	336,050	12,590	6,380	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	9,831	6,972	3,556	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	282,196	104,389	93,950	
The Company	Indiland Co., Ltd.	Taiwan	IP Commodities authorisation	60,000	40,000	2,050,000	100.00	19,737	(357)	(357)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	68,500	32,586	32,586	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	26,709	(14,793)	(4,886)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	197	(78)	(73)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	6,718	(15)	(14)	
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	3,192	137	70	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	639,229	569,229	35,785,716	59.64	207,625	(165,712)	(100,397)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	494,303	431,281	36,948,148	78.97	264,027	(64,849)	(62,111)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	7,745	1,126	1,126	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	229,400	199,400	8,990,649	99.90	21,108	(20,157)	(20,131)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Nine months ended September 30, 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 September 30, 2021			Investment income		Footnote
				Balance as at September 30, 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	(\$ 117)	(\$ 44)	
The Company	Walkermedia Co., Ltd.	Taiwan	Publishing of magazines and general advertising services	30,000	30,000	3,000,000	30.00	13,219	(20,689)	(6,207)	
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	9,818	15,977	1,436	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,073	1,073	300,000	100.00	26,711	4,122	2,782	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services	27,850	27,850	1,000,000	51.00	22,551	(1,587)	(546)	
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Hong Kong	Software services	48,738	48,738	1,750,000	100.00	1,271	(3,385)	(3,381)	
Gamania Asia Investment Co., Ltd.	Pri-One Commercial Production Co., Ltd.	Taiwan	Sales and research and development of software	1,500	1,500	150,000	30.00	2,617	611	183	
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	47,430	(170)	(63)	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	48,931	48,931	2,658,687	29.54	5,908	(28,193)	(8,328)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	-	(16)	(16)	Note 2
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	-	(3,276)	(137)	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	9,910	(56,424)	(12,120)	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	34,860	34,860	600	100.00	27,879	1,150	1,035	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Nine months ended September 30, 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 September 30, 2021			Investment income		Footnote
				Balance as at September 30, 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	\$ 12,687	\$ 12,687	750,000	100.00	\$ 168,021	\$ 17,043	\$ 15,339	
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	20,160	2,504	2,254	
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	57,260	15,481	11,144	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	150,000	150,000	7,232,142	12.05	(6,995)	(165,712)	(18,173)	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	130,000	-	9,750,000	16.25	105,499	(165,712)	(22,051)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	2,205,464	2,205,464	77,281,128	100.00	862,068	100,396	100,396	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	929,540	929,540	40,416,628	98.85	453,721	168,722	166,782	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	110,008	110,008	30,701,775	100.00	7,386	580	580	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	8,868	8,868	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	193,630	193,630	7,297,649	43.03	154,494	(63,162)	(28,048)	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,341	1,341	375,000	30.00	-	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	61,270	61,270	2,200,000	100.00	16,605	(10,784)	(10,784)	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	238,814	204,698	343	49.00	64,039	(58,003)	(28,422)	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	650,720	595,000	26,145,712	100.00	125,860	(60,953)	(26,228)	
Achieve Made International Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	133,189	133,189	37,000,000	93.43	4,418	(13,495)	(5,426)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	25,000	25,000	1,045,455	95.83	(2,511)	(3,276)	(1,351)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	136,465	136,465	4,900,000	100.00	71	(3,302)	(1,421)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Nine months ended September 30, 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 September 30, 2021			Investment income		Footnote
				Balance as at September 30, 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	\$ 9,298	\$ 9,298	2,600,000	6.57	\$ 311	(\$ 13,495)	(\$ 382)	
Bjolly Digital Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	1.10	9,286	(64,849)	(714)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,100,632	1,100,632	39,520,000	100.00	(2,212)	(1,807)	(1,786)	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	91,188	91,188	25,500,000	100.00	451,508	170,531	168,570	

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.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Information on investments in Mainland China

Nine months ended September 30, 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)	Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net loss of investee for the nine months ended September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 983,105	2	\$ 720,480	\$ -	\$ -	\$ 720,480	(\$ 1,724)	98.85	(\$ 1,704)	(\$ 4,245)	\$ -	Notes 3 and 6
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	2	41,775	-	-	41,775	-	-	-	-	-	Notes 4 and 7
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	110,008	2	110,008	-	-	110,008	(3,245)	43.03	(1,396)	(288)	-	Notes 5 and 8
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	21,525	2	-	-	-	-	(2,589)	43.03	(1,114)	(15,477)	-	Notes 5 and 8
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd.	Sales of agricultural products	13,925	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 September 30, 2021 was translated into New Taiwan dollars at the average exchange rate of NTD27.85 to US\$1 and NTD4.305 to RMB\$1 at the balance sheet date.

Note 3: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the nine months ended September 30, 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 September 30, 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 September 30, 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)	\$ 762,255	\$ 1,278,677	\$ 3,382,909
Jollywiz Digital Technology Co., Ltd.	110,008	110,008	175,496

Note: The total investment amount approved by the Investment Commission, MOEA, was USD45,913 thousand or \$1,278,677 based on 27.85 spot exchange rate at September 30, 2021.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Major shareholders information

September 30, 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%
Shiang Sheng Invesement Ltd.		13,600,000	7.74%
Joy Develop Co., Ltd. Taiwan Branch		9,943,000	5.66%

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.