GAMANIA DIGITAL ENTERTAINMENT CO., LTD.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2013 AND 2012

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

Review Report of Independent Accountants Translated From Chinese

PWCR13000276

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

We have reviewed the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and its subsidiaries as of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods ended March 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our reviews. In addition, we did not review the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets (including investments accounted for under equity method) of $1,465,328,000, $1,249,135,000, $0 and $1,476,995,000, constituting 31%, 30%, 0% and 28% of the consolidated total assets, and total liabilities of $671,132,000, $518,199,000, $0 and $429,223,000, constituting 30%, 29%, 0% and 18% of the consolidated total liabilities as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, respectively, and total revenues of $594,264,000 and $0, constituting 29% and 0% of the consolidated total operating revenues for the three-month periods ended March 31, 2013 and 2012, respectively.

Except as explained in the following paragraph, our reviews were made in accordance with the Generally Accepted Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

We did not review the financial statements of certain consolidated subsidiaries and investments accounted for under equity method, which statements reflect total assets of $759,666,000 and $1,839,155,000, constituting 16% and 36% of the consolidated total assets, and total liabilities of $149,597,000 and $1,317,064,000, constituting 7% and 62% of the consolidated total liabilities as of March 31, 2013 and 2012, respectively, and total comprehensive income (including other comprehensive income of associates and joint ventures accounted for under equity method) of

($45,418,000) and $34,941,000, constituting (55%) and 155% of the consolidated total comprehensive income for the three-month periods then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of March 31, 2013 and 2012.

Based on our reviews and the review reports of the other anditors, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 been audited or reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, IAS 34, “Interim Financial Reporting”, and IFRS 1, “First-time Adoption of International Financial Reporting Standards”, as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan
May 9, 2013

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying non-consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Assets	Notes	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,498,104	$ 1,348,499	$ 1,963,277	$ 2,025,722
1110	Financial assets at fair value through profit or loss - current	6(2)	16,391	9,119	48,936	9,839
1150	Notes receivable, net	6(4)	23,580	22,503	20,166	29,099
1170	Accounts receivable, net	6(5)	1,410,751	1,057,884	998,596	1,060,946
1200	Other receivables		40,428	36,073	71,577	62,147
1220	Current income tax assets		58,304	98,619	8,902	9,166
130X	Inventories	6(6)	150,361	75,921	130,652	263,476
1410	Prepayments		144,677	71,127	153,612	157,594
1470	Other current assets	8	31,116	44,466	80,733	38,509
11XX	**Total Current Assets**		3,373,712	2,764,211	3,476,451	3,656,498
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	-	-	2,850	2,850
1523	Available-for-sale financial assets - non-current	6(3)	69,243	66,805	162,002	162,002
1550	Investments accounted for under equity method	6(7)(11)	24,821	27,433	11,378	8,216
1600	Property, plant and equipment	6(8),8	800,665	852,055	841,055	845,909
1780	Intangible assets	6(9)(11)	340,150	361,298	438,992	440,448
1840	Deferred income tax assets	6(31)	84,114	79,359	62,629	59,524
1900	Other non-current assets	6(10)	69,504	71,310	94,273	93,660
15XX	**Total Non-current Assets**		1,388,497	1,458,260	1,613,179	1,612,609
1XXX	**Total Assets**		$ 4,762,209	$ 4,222,471	$ 5,089,630	$ 5,269,107
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 82,728	$ 69,070	$ 92,203	$ 92,563
2120	Financial liabilities at fair value through profit or loss - current	6(13)	9,616	9,616	-	-
2150	Notes payable		37,176	28,905	19,633	30,006
2170	Accounts payable		1,010,170	715,108	603,206	698,235
2180	Accounts payable - related parties	7	74,606	62,027	70,012	72,099
2200	Other payables	6(14)	361,741	373,910	716,736	724,562
2230	Current income tax liabilities	6(31)	41,445	40,549	127,352	83,892
2300	Other current liabilities	6(15)	556,175	414,421	427,961	548,724
21XX	**Total Current Liabilities**		2,173,657	1,713,606	2,057,103	2,250,081

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Liabilities and Equity	Notes	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss - non-current	6(12)	-	-	6,653	6,653
2530	Bonds payable	6(16)	34,302	44,555	14,375	21,558
2540	Long-term borrowings	6(17)	-	22	4,882	8,562
2550	Provisions for liabilities - non-current	6(20)	6,867	5,421	5,643	6,131
2570	Deferred income tax liabilities	6(31)	2,818	1,894	2,174	2,229
2600	Other non-current liabilities		44,210	49,906	27,560	26,995
25XX	**Total Non-current Liabilities**		88,197	101,798	61,287	72,128
2XXX	**Total Liabilities**		2,261,854	1,815,404	2,118,390	2,322,209
	Equity attributable to owners of parent					
	Share capital					
3110	Share capital - common stock		$ 1,568,685	$ 1,568,685	$ 1,567,515	$ 1,567,515
3140	Stock subcriptions received in advance	6(19)(21)	2,291	149	610	28
	Capital surplus	6(22)				
3210	Capital surplus, additional paid-in capital		836,428	833,643	832,722	831,930
3220	Capital surplus, treasury stock transactions		24,234	24,234	24,234	24,234
3230	Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed		1,006	1,446	-	-
3240	Capital surplus, disposal of property, plant and equipment		221	221	221	221
3280	Capital surplus, others		3	3	-	-
	Retained earnings	6(23)				
3310	Legal reserve		159,610	159,610	140,909	140,909
3350	(Accumulated deficit) unappropriated retained earnings		(239,413)	(322,219)	207,133	159,424
	Other equity interest	6(24)				
3410	Financial statements translation differences of foreign operations		(42,877)	(44,930)	(33,620)	-
3425	Unrealized gain or loss on available-for-sale financial assets		15,470	15,032	37,708	37,708
31XX	**Equity attributable to owners of the parent**		2,325,658	2,235,874	2,777,432	2,761,969
36XX	**Non-controlling interest**		174,697	171,193	193,808	184,929
3XXX	**Total equity**		2,500,355	2,407,067	2,971,240	2,946,898
	Total liabilities and equity		$ 4,762,209	$ 4,222,471	$ 5,089,630	$ 5,269,107

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 9, 2013.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

			New Taiwan Dollars	
	Items	Notes	2013	2012
4000	**Operating revenue**	6(25)	$ 2,064,405	$ 2,011,411
5000	**Operating costs**		(1,395,072)	(1,191,155)
5950	**Gross profit**		669,333	820,256
	Operating expenses	6(29)(30)		
6100	Selling expenses		(150,903)	(210,790)
6200	General and administrative expenses		(303,156)	(345,066)
6300	Research and development expenses		(98,889)	(180,254)
6000	**Total operating expenses**		(552,948)	(736,110)
6900	**Operating income**		116,385	84,146
	Non-operating income and expenses			
7010	Other income	6(26)	5,899	20,438
7020	Other gains and losses	6(27)	(11,918)	(2,252)
7050	Finance costs	6(28)	(1,323)	(1,371)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	(1,514)	(3,121)
7000	**Total non-operating income and expenses**		(8,856)	13,694
7900	**Profit before tax**		107,529	97,840
7950	Income tax expense	6(31)	(27,232)	(41,741)
8000	**Profit from continuing operations**		80,297	56,099
8200	**Profit**		$ 80,297	$ 56,099
	Other comprehensive income			
8310	Financial statements translation differences of foreign operations		$ 2,051	($ 33,568)
8325	Unrealized gain on valuation of available-for-sale financial assets		438	-
8399	Income tax relating to the components of other comprehensive income		-	-
8500	**Total comprehensive inocme**		$ 82,786	$ 22,531
	Profit (loss), attributable to:			
8610	Owners of parent		$ 82,806	$ 49,242
8620	Non-controlling interests		(2,509)	6,857
			$ 80,297	$ 56,099
	Comprehensive income attributable to:			
8710	Owners of parent		$ 85,297	$ 15,622
8720	Non-controlling interests		(2,511)	6,909
			$ 82,786	$ 22,531
	Basic earnings per share (in dollars)	6(32)		
9750	**Total basic earnings per share**		$ 0.53	$ 0.31
	Diluted earnings per share (in dollars)			
9850	**Total diluted earnings per share**		$ 0.52	$ 0.31

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 9, 2013.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Equity attributable to owers of the parent												
	Share capital		Capital surplus					Retained earnings		Other equity interest			
	Share capital-common stock	Stock subscriptions received in advance	Additional paid-in capital	Treasury stock transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Disposal of property, plant and equipment	Others	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Non-controlling interest	Total
2012													
Balance at January 1, 2012	$1,567,515	$ 28	$ 831,930	$ 24,234	$ -	$ 221	$ -	$140,909	$ 159,424	$ -	$ 37,708	$ 184,929	$2,946,898
Employee stock options exercised	-	582	792	-	-	-	-	-	-	-	-	-	1,374
Profit for the period	-	-	-	-	-	-	-	-	49,242	-	-	6,857	56,099
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	(33,620)	-	52	(33,568)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,970	1,970
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	(1,533)	-	-	-	(1,533)
Balance at March 31, 2012	$1,567,515	$ 610	$ 832,722	$ 24,234	$ -	$ 221	$ -	$140,909	$ 207,133	($ 33,620)	$ 37,708	$ 193,808	$2,971,240
2013													
Balance at January 1, 2013	$1,568,685	$ 149	$ 833,643	$ 24,234	$ 1,446	$ 221	$ 3	$159,610	($ 322,219)	($ 44,930)	$ 15,032	$ 171,193	$2,407,067
Employee stock options exercised	-	2,142	2,785	-	-	-	-	-	-	-	-	-	4,927
Profit for the period	-	-	-	-	-	-	-	-	82,806	-	-	(2,509)	80,297
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	6,015	6,015
Non-controlling interests	-	-	-	-	-	-	-	-	-	2,053	438	(2)	2,489
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(440)	-	-	-	-	-	-	-	(440)
Balance at March 31, 2013	$1,568,685	$ 2,291	$ 836,428	$ 24,234	$ 1,006	$ 221	$ 3	$159,610	($ 239,413)	($ 42,877)	$ 15,470	$ 174,697	$2,500,355

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

See review report of independent accountants dated May 9, 2013.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 107,529	$ 97,840
Adjustments to reconcile net income to net cash generated from operating activities		
Income and expenses having no effect on cash flows		
Depreciation	60,582	53,765
Amortization	41,732	57,308
Intangible assets reclassifed to other loss	1,061	1,975
Provision for bad debts expense	14,551	5,219
Provision for decline (reversal of allowance) in market value of inventories	6	(9)
Interest expense	1,323	1,370
Interest income	(953)	(1,077)
Net gain on financial assets or liabilities at fair value through profit or loss	518	(491)
Share of profit of associates accounted for under equity method	1,514	3,121
Loss (gain) on disposal of property, plant and equipment	116	(136)
Impairment loss of goodwill	1,891	-
Impairment loss of investments accounted for under the equity method	1,098	-
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes payable	8,271	(10,373)
Accounts payable	295,062	(95,029)
Accounts payable - related parties	12,579	(2,087)
Other payables	(11,001)	4,557
Other current liabilities	153,996	3,470
Provisions for liabilities - non-current	1,446	(488)
Net changes in liabilities relating to operating activities		
Notes receivable	(1,077)	8,933
Accounts receivable	(367,940)	63,190
Other receivables	(4,408)	(9,576)
Inventories	(82,432)	13,680
Prepayments	(75,332)	3,982
Other current assets	13,350	(42,224)
	173,482	156,920
Cash generated from operations		
Interest received	1,006	1,223
Interest paid	(1,256)	(1,396)
Tax refund received (income taxes paid)	10,148	(1,177)
Net cash generated from operating activities	183,380	155,570

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at fair value through profit or loss-current	($ 7,790)	($ 38,606)
Acquisition of investments accounted for under equity method	-	(7,400)
Prepayments for investment	-	(20,585)
Acquisition of property, plant and equipment	(13,789)	(70,156)
Proceeds from disposal of property, plant and equipment	2,828	510
Increase in other intangible assets	(46,023)	(68,398)
(Increase) decrease in other non-current assets	(194)	13,913
(Decrease) increase in other non-current liabilities	(5,696)	565
Net cash used in investing activities	(70,664)	(190,157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	60,000	51,994
Repayment of short-term borrowings	(45,865)	(54,711)
Repayment of bonds payable (including current portion)	(11,409)	(7,494)
Repayment of long-term debt (including current portion)	(3,122)	(8,449)
Exercise of employee share options	4,927	1,374
Changes in non-controlling interest	6,015	1,970
	10,546	(15,316)
Effect of exchange rate changes on cash and cash equivalents	26,343	(12,542)
Increase (decrease) in cash and cash equivalents	149,605	(62,445)
Cash and cash equivalents at beginning of period	1,348,499	2,025,722
Cash and cash equivalents at end of period	$ 1,498,104	$ 1,963,277

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 9, 2013.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. HISTORY AND ORGANIZATION

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

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

These consolidated financial statements were reported to the Board of Directors and authorised for issuance by the Board of Directors on May 9, 2013.

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")

Not applicable as it is the first-time adoption of IFRSs by the Group this year.

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

IFRS 9, 'Financial Instruments: Classification and measurement of financial assets'

A. The International Accounting Standards Board ("IASB") published IFRS 9, 'Financial Instruments', in November, 2009, which will take effect on January 1, 2015 with early application permitted. Although the FSC has endorsed IFRS 9, FSC does not permit early application of IFRS 9 when IFRSs are adopted in R.O.C. in 2013. Instead, enterprises should apply International Accounting Standard No. 39 ("IAS 39"), 'Financial Instruments: Recognition and Measurement' reissued in 2009.

B. IFRS 9 was issued as the first step to replace IAS 39. IFRS 9 outlines the new classification and measurement requirements for financial instruments, which might affect the accounting treatments for financial instruments of the Group.

C. The Group has not evaluated the overall effect of the IFRS 9 adoption. However, based on preliminary evaluation, it was noted that the IFRS 9 adoption might have an impact on those instruments classified as 'available-for-sale financial assets' held by the Group, as IFRS 9 specifies that the fair value changes in the equity instruments that meet certain criteria may be reported in other comprehensive income, and such amount that has been recognised in other comprehensive income should not be reclassified to profit or loss when such assets are derecognised. The Group recognised gain (or loss) on equity instruments amounting to $438 in other comprehensive income for the three-month period ended March 31, 2013.

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

A. The following are the new standards and amendments issued by IASB that are effective but not yet endorsed by the FSC and have not been adopted by the Group:

	New Standards or Amendments	Effective Date
IFRS 1	Limited exemption from comparative IFRS 7 disclosures for first-time adopters	July 1, 2010
	2010 improvements to IFRSs	January 1, 2011
IFRS 7	Disclosures - transfers of financial assets	July 1, 2011
IFRS 1	Severe hyperinflation and removal of fixed dates for first-time adopters	July 1, 2011
IAS 12	Deferred tax: recovery of underlying assets	January 1, 2012
IFRS 10	Consolidated financial statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of interests in other entities	January 1, 2013
IAS 27	Separate financial statements	January 1, 2013
IAS 28	Investments in associates and joint ventures	January 1, 2013
IFRS 13	Fair value measurements	January 1, 2013
IAS 19	Employee benefits	January 1, 2013
IAS 1	Presentation of items of other comprehensive income	July 1, 2012
IFRIC 20	Stripping costs in the production phase of a surface mine	January 1, 2013
IFRS 7	Disclosures - offsetting financial assets and financial liabilities	January 1, 2013
IFRS 1	Government loans	January 1, 2013
	2009-2011 improvements to IFRSs	January 1, 2013
IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance	January 1, 2013

B. The following are the new standards and amendments issued by IASB that are not yet effective and not yet endorsed by the FSC and have not been adopted by the Group:

	New Standards or Amendments	Effective Date
IFRS 9	Financial instruments: Classification and measurement of financial liabilities	January 1, 2015
IAS 32	Offsetting financial assets and financial liabilities	January 1, 2014
IFRS 7 and IFRS 9	Mandatory effective date and transition disclosures	January 1, 2015
IFRS 10, IFRS 12 and IAS 27	Investment entities	January 1, 2014

C. The Group is assessing the potential impact of the new standards and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

A. These consolidated financial statements are the first interim consolidated financial statements prepared by the Group in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", IAS 34, 'Interim Financial Reporting', and IFRS 1, 'First-time Adoption of International Financial Reporting Standards', as endorsed by the FSC.

B. In the preparation of the balance sheet as of January 1, 2012, the Group has adjusted the amounts that were reported in the consolidated financial statements in accordance with previous R.O.C. GAAP. Please refer to Note 15 for the impact of transitioning from R.O.C. GAAP to the International Financial Reporting Standards, International Accounting Standards, and Interpretations/bulletins as endorsed by the FSC (collectively referred herein as the "IFRSs") on the Group's financial position, operating results and cash flows.

(2) Basis of preparation

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

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

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

c) Defined benefit liabilities recognised based on the net amount of pension fund assets plus unrecognised prior period's service cost and unrecognised actuarial losses, and less unrecognised actuarial gains and present value of defined benefit obligation.

B. The significant accounting policies as stated below have been consistently applied to all the periods presented in these consolidated financial statements, including the opening IFRS balance sheet on January 1, 2012 (the Group's date of transition to IFRSs) that are prepared in transition to IFRSs.

C. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

c) 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.

d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. 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. Conversely, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be transferred directly to retained earnings, if such gains or losses would be transferred directly to retained earnings 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 (%) March 31, 2013	Ownership (%) December 31, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd.	Holding company	100	100	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Investment holdings	100	100	
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited	Investment holdings	100	100	
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Design and sales of software; sales of hardware	100	100	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Investment holdings	98.82	98.79	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Investment holdings	100	100	
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A	Investment holdings	100	100	
Gamania International Holdings Ltd.	Firedog Studio Company Ltd.	Design and research of software	100	100	
Gamania International Holdings Ltd.	Gash Plus (Hong Kong) Company Ltd.	Software information and supply of electronic services	100	100	
Gamania R&D (HK) Holdings Limited	MoNoKos Studio Technology Co., Ltd.	Research and development of software	Note 2	Note 2	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2013	Ownership (%) December 31, 2012	Description
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Design and sales of software	100	100	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	100	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Design and sales of software	100	100	
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Design and sales of software	100	100	
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	72.08	72.08	
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	27.20	27.20	
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Korea Co., Ltd.	Design and sales of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Design and research and development of software	99.75	99.75	
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2013	Ownership (%) December 31, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Redgate Games Co., Ltd.	Design and research of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Seedo Games Co., Ltd.	Design and research of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	77.40	77.40	
Gamania Digital Entertainment Co. Ltd.	Two Tigers Co., Ltd.	Animation production	51	51	
Gamania Digital Entertainment Co. Ltd.	Gash Plus (Taiwan) Company Limited	Software information and supply of electronic services	100	100	
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	33.33	33.33	Note 3
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	100	81.02	
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	70	
Gamania Digital Entertainment Co., Ltd.	RitwNow Inc.	E-sports and internet live broadcasting services	51	51	
Gamania Digital Entertainment Co., Ltd.	Global Pursuit (U.S.) Co., Ltd.	Software information and supply of electronic services	80	80	
Global Pursuit (U.S.) Co., Ltd.	Global Pursuit North America Co., Ltd.	IP commodities authorization	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2012	Ownership (%) January 1, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd.	Holding company	100	100	
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	72.08	72.08	
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamaina Korea Co., Ltd.	Design and sales of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Design and research and development of software	99.75	99.75	
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100	100	
Gamania Digital Entertainment Co., Ltd.	Redgate Games Co., Ltd.	Design and research and development of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Seedo Games Co., Ltd.	Design and research and development of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	75.25	75.25	
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd.	Animation production	51	51	
Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Software information and supply of electronic services	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2012	Ownership (%) January 1, 2012	Description
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	27.20	27.20	
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	33.33	33.33	Note 3
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Investment holdings	100	100	
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited	Investment holdings	100	-	
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Design and sales of software; sales of hardware	100	100	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Investment holdings	98.75	98.70	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Investment holdings	100	100	
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	100	
Gamania International Holdings Ltd.	Firedog Studio Company Ltd.	Design and research and development of software	100	100	
Gamania International Holdings Ltd.	Gash Plus (Hong Kong) Company Limited	Software information and supply of electronic services	100	100	
Gamania International Holdings Ltd.	Tornado Studio Co., Ltd.	Design and research and development of software	100	100	Note 1
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2012	Ownership (%) January 1, 2012	Description
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	100	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Software services and sales	100	100	
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100	100	
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	100	100	
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	97.95	97.95	
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	70	

Note 1: It was liquidated and the operations ended on November 13, 2012.

Note 2: As of the date of review report, it is still under the process of liquidation.

Note 3: Gash Plus (Taiwan) Company Limited holds more than half of the board seats of Jsdway Digital Technology Co., Ltd.

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

B. Translation of foreign operations

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

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

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

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

b) On consolidation, exchange differences arising from the translation of the net investment in foreign operations is recognised in other comprehensive income.

c) When a foreign operation is partially disposed of or sold, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

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

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

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

b) Assets held mainly for trading purposes;

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

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

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

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

b) Liabilities arising mainly from trading activities;

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

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

(6) Cash and cash equivalents

A. In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

B. Cash equivalents refer to short-term highly liquid investments that meet both the following criteria:

a) Readily convertible to known amount of cash; and

b) Subject to an insignificant risk of changes in value.

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

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

B. On a regular way purchase or sale basis, financial assets held for trading are recognised and derecognised using trade date accounting. Financial assets designated as at fair value through profit or loss on initial recognition are recognised and derecognised using trade date accounting.

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

(8) Available-for-sale financial assets

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

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

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

(9) Accounts receivable

Accounts receivable are receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(10) Impairment of financial assets

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

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

a) Significant financial difficulty of the issuer or debtor;

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

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

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

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

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

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

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

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

(11) <u>Derecognition of financial assets</u>

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

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

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

C. The Group neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it has not retained control of the financial asset.

(12) <u>Inventories</u>

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

(13) <u>Investments accounted for under the equity method / associates</u>

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.

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

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

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

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

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

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

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are 2 ~ 6 years except for buildings, the estimated useful life of which is 3 ~ 55 years and leasehold improvements, which is based on the contract period of the asset.

(15) Intangible assets

A. Trademarks

Trademarks have a finite useful life and are amortised under the straight-line basis over the estimated useful lives.

B. Franchises for game development

Franchises for game development are recorded at acquisition cost and amortized using the straight-line method over the estimated service life. Franchises could be deducted from franchises payable amounting to 2% based on sales revenues.

C. Franchises for sales of on-line games

Franchises for sales of on-line games are recorded at acquisition cost and amortized over the estimated life of 3 years using the straight-line method.

D. Comic copyright

Comic copyright is recorded at acquisition cost and amortized over the estimated life of 1 year using the straight-line method.

E. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

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

G. Royalty payments for operating online game software are capitalized and amortized based on the period of the contract or deducted based on actual units of play.

(16) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss.

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

(17) Borrowings

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

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(18) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition.

Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

a) Hybrid (combined) contracts; or
b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

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

(20) Bonds payable

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

(21) Provisions for other liabilities – decommissioning liabilities

Decommissioning liabilities are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Decommissioning liabilities are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions

a) Defined contribution plans

For defined contribution plans, the Group pays fixed contributions to an independent, publicly or privately administered pension fund. The Group has no further legal or constructive obligations once the contributions have been paid. The contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

b) Defined benefit plans

i. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in such corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate 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. The related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group’s decision to terminate an employee’s employment before the normal retirement date, or an employee’s decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises termination benefits when it is demonstrably committed to a termination, when it has a detailed formal plan to terminate the employment of current employees and when it can no longer withdraw the plan. In the case of an offer made by the Group to encourage voluntary termination of employment, the termination benefits are recognised as expenses only when it is probable that the employees are expected to accept the offer and the number of the employees taking the offer can be reliably estimated. Benefits falling due more than

12 months after balance sheet date are discounted to their present value.

D. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share at the previous day of the stockholders meeting held in the year following the financial reporting year and after taking into account the effects of ex-rights and ex-diridends.

(23) Employee share-based payment

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

(24) Income tax

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

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

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

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

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

F. Tax preference given for expenditures incurred on acquisition of equity investments is recorded using the income tax credits accounting.

G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(25) Share capital

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

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

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(27) Revenue recognition

A. Sales of goods

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

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

B. Sales of services

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

(28) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

B. If the total of the fair values of the consideration of acquisition and any non-controlling interest in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired, the difference is recorded as goodwill; if less than the fair value of the Group's share of the identifiable net assets acquired (bargain purchase), the difference is recognised directly in profit or loss.

(29) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Judgements and estimates are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

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

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

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

A. Revenue recognition

The Group recognizes the collections of payments for game card purchases or value-added by players as “advance receipts” within current liabilities, and amortizes those amounts as revenue over the period of the services or the estimated useful period the virtual items, when they are actually used in the purchases of services or virtual items for online games. The Group estimates the deferred amount and period for the related deferred revenue based on historical results and other known factors, and reviews its rationale periodically. As of March 31, 2013, the Group’s deferred revenue amounted to $110,720.

B. Impairment assessment of tangible and intangible assets (excluding goodwill)

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

C. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group’s subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(11) for the information of goodwill impairment.

As of March 31, 2013, the Group recognised goodwill, net of impairment loss, amounting to $78,171.

D. Impairment assessment of investments accounted for under the equity method

The Group assesses the impairment of an investment accounted for under the equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recoverable. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Group’s share of expected future cash flows of the investee, and analyzes the reasonableness of related assumptions.

As of March 31, 2013, the Group’s investments accounted for under the equity method, net of impairment loss, amounted to $24,821.

E. Realisability of deferred income tax assets

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred income tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

As of March 31, 2013, the Group recognised deferred income tax assets amounting to $84,114.

F. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory comsumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of March 31, 2013, the carrying amount of inventories was $150,361.

G. Calculation of accrued pension obligations

When calculating the present value of defined pension obligations, the Group must apply judgements and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and expected rate of return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations. As of March 31, 2013, the carrying amount of accrued pension obligations was $35,569. Where the discount rate used differs by 1% from management's estimates, the carrying amount of accrued pension obligations would be $62,190 lower or $90,105 higher.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2013	December 31, 2012
Cash on hand and petty cash	$ 2,697	$ 2,959
Checking accounts and demand deposits	1,065,115	957,999
Time deposits	430,292	387,541
	$ 1,498,104	$ 1,347,499

	March 31, 2012	January 1, 2012
Cash on hand and petty cash	$ 1,311	$ 1,079
Checking accounts and demand deposits	1,497,227	1,540,733
Time deposits	464,739	483,910
	$ 1,963,277	$ 2,025,722

A. The Group associates 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. The

Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

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

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

Items	March 31, 2013	December 31, 2012
Current items		
Financial assets held for trading		
Listed (TSE and OTC) stocks	$ 3,843	$ 3,843
Corporate bond funds	10,999	2,855
Valuation adjustment of financial assets held for trading	(1,301)	(429)
Subtotal	13,541	6,269
Financial assets designated as at fair value through profit or loss on initial recognition		
Callable preferred stock	2,850	2,850
Valuation adjustment of financial assets designated as at fair value through profit or loss on initial recognition	-	-
Subtotal	2,850	2,850
Total	$ 16,391	$ 9,119

Items	March 31, 2012	January 1, 2012
Current items		
Financial assets held for trading		
Listed (TSE and OTC) stocks	$ 7,336	$ 8,934
Corporate bond funds	43,000	3,000
Valuation adjustment of financial assets held for trading	(1,400)	(2,095)
Total	$ 48,936	$ 9,839
Non-current items		
Financial assets designated as at fair value through profit or loss on initial recognition		
Callable preferred stock	$ 2,850	$ 2,850
Valuation adjustment of financial assets designated as at fair value through profit or loss on initial recognition	-	-
Total	$ 2,850	$ 2,850

A. The Group recognised net (loss) gain of ($586) and $491 for the three-month periods ended March 31, 2013 and 2012, respectively.

B. For business operation purposes, the Company's domestic subsidiary, Gamania Asia

Investment Co., invested 285 thousand shares at a par value of $10 (NT dollars) per share in the amount of $2,850. Such investment is not entitled to a voting right, profit distribution right and the right to claim for remaining property. According to the investment contract, both parties agreed that during the thirty days from the repurchase base day, which is at the expiration of three years of settlement date (May 28, 2010) or other documents' appointment date, the investor can ask the issuer to redeem all of the preferred stock based on fair value at the repurchase base day. If the fair value is lower than the published price, the issuer will repurchase based on the issue price. In accordance with the contents of the preferred stock contract and IAS 39, "Financial Instruments: Recognition and Measurement", the subsidiary is accounted for as Financial assets at fair value through profit or loss.

(3) Available-for-sale financial assets

Items	March 31, 2013	December 31, 2012
Non-current items:		
Unlisted stock	$ 62,979	$ 60,979
Valuation adjustment of available-for-sale financial assets	15,470	15,032
Accumulated impairment	(9,206)	(9,206)
Total	$ 69,243	$ 66,805

Items	March 31, 2012	January 1, 2012
Non-current items:		
Unlisted stock	$ 124,294	$ 124,294
Valuation adjustment of available-for-sale financial assets	37,708	37,708
Total	$ 162,002	$ 162,002

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

B. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, no available-for-sale financial assets of the Group were pledged as collaterals.

(4) Notes receivable - net

	March 31, 2013	December 31, 2012
Notes receivable	$ 23,580	$ 22,519
Less: Allowance for doubtful accounts	-	(16)
	$ 23,580	$ 22,503

	March 31, 2012	January 1, 2012
Notes receivable	$ 20,182	$ 29,115
Less: Allowance for doubtful accounts	(16)	(16)
	$ 20,166	$ 29,099

(5) Accounts receivable

	March 31, 2013	December 31, 2012
Accounts receivable	$ 1,503,123	$ 1,135,183
Less: Allowance for doubtful accounts	(91,835)	(76,762)
Allowance for sales returns	(537)	(537)
	$ 1,410,751	$ 1,057,884

	March 31, 2012	January 1, 2012
Accounts receivable	$ 1,060,132	$ 1,117,352
Less: Allowance for doubtful accounts	(60,999)	(55,869)
Allowance for sales returns	(537)	(537)
	$ 998,596	$ 1,060,946

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

	March 31, 2013	December 31, 2012
Up to 30 days	$ 237,915	$ 191,608
31~60 days	66,974	60,410
61~90 days	12,437	39,891
91~180 days	14,512	10,740
Over 181 days	37,938	46,647
	$ 369,776	$ 349,296

	March 31, 2012	January 1, 2012
Up to 30 days	$ 135,883	$ 150,280
31~60 days	44,249	85,838
61~90 days	56,673	8,015
91~180 days	-	2,716
Over 181 days	12,876	25,049
	$ 249,681	$ 271,898

B. Movements on the Group's provision for impairment of accounts receivable (including overdue receivables) are as follows:

	2013	2012
	Group provision	Group provision
At January 1	$ 136,835	$ 113,256
Provision for impairment	14,551	5,219
Effect of exchange rate	521	(98)
At March 31	$ 151,907	$ 118,377

C. The accounts receivable were neither past due nor impaired since the Group had shifted out and managed the credit of the counterparties that have certain standard credit quality. Thus, there is no significant credit risk. The balances are as follows:

	March 31, 2013	December 31, 2012
Neither past due nor impaired	$ 1,048,860	$ 719,523

	March 31, 2012	January 1, 2012
Neither past due nor impaired	$ 760,790	$ 806,874

D. The maximum exposure to credit risk at March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012 was the carrying amount of each class of accounts receivable.

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

(6) Inventories

	March 31, 2013		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 151,596	($ 1,235)	$ 150,361

	December 31, 2012		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 77,150	($ 1,229)	$ 75,921

	March 31, 2012		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 134,208	($ 3,556)	$ 130,652

	January 1, 2012		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 267,041	($ 3,565)	$ 263,476

	For the three-month periods ended	
	March 31, 2013	March 31, 2012
Provision for decline in market value of inventories (reversal of allowance)	$ 6	($ 9)

(7) Investments accounted for under the equity method

A. List of long-term investment

Name of associates	March 31, 2013 Ownership percentage	March 31, 2013 Balance	December 31, 2012 Ownership percentage	December 31, 2012 Balance
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	40.70	$ 6,269	40.70	$ 7,587
Machi Pictures Co., Ltd. (Machi Pictures)	33.33	18,552	33.33	19,846
		$ 24,821		$ 27,433

Name of associates	March 31, 2012 Ownership percentage	March 31, 2012 Balance	January 1, 2012 Ownership percentage	January 1, 2012 Balance
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	40.70	$ 10,971	39.40	$ 7,216
Encore Digital Technology Co., Ltd. (Encore)	35.00	208	35.00	637
Niu Niu Technology Co., Ltd. (Niu Niu)	30.00	199	30.00	363
Tang Chao Digital Technology Co., Ltd. (Tang Chao) (Note)	28.57	-	28.57	-
		$ 11,378		$ 8,216

Note: The Group recognized share of investment's loss of associates which reduced book value to zero in previous period so it did not anymore recognize investment loss in current period.

B. The share of loss of associates accounted for under the equity method is as follows:

Name of investee	For the three-month periods ended March 31, 2013	For the three-month periods ended March 31, 2012
Taiwan e-sports Co., Ltd.	($ 1,318)	($ 2,526)
Machi Pictures Co., Ltd.	(196)	-
Encore Digital Technology Co., Ltd.	-	(430)
Niu Niu Technology Co., Ltd.	-	(165)
	($ 1,514)	($ 3,121)

C. The Group's associates were accounted for under the equity method based on their financial statements for the corresponding period, which were not reviewed by the engaged independent accountants.

D. The investments in Encore Digital Technology Co., Ltd. and Niu Niu Technology Co., Ltd., the Group's associates, Jsdway Digital Technology Co., Ltd., were accounted for under the equity method for the years ended December 31, 2012 and 2011 based on their financial statements for the corresponding period, which were audited by the engaged auditors of Jsdway Digital Technology Co., Ltd. The remaining associates were based on their financial statements for the corresponding period, which were not audited by the engaged auditors. As of December

31, 2012 and January 1, 2012, these investments accounted for under the equity method amounted to $27,433 and $8,216, respectively.

E. Long-term investment accounted for under the equity method in Taiwan e-sports Co., Ltd. and Machi Pictures Co., Ltd. were based on the associate's financial statements as of and for the years ended December 31, 2012 and 2011 which were not audited by independent accountants since its net loss had no significant effect to the Group.

F. The financial information of the Group's principal associates is summarized below:

	Assets	Liabilities	Revenue	Profit/(Loss)
March 31, 2013				
Taiwan e-sports	$ 25,488	$ 10,085	$ 5,099	($ 3,239)
Machi Pictures	109,564	53,908	-	(587)
	$ 135,052	$ 63,993	$ 5,099	($ 3,826)

	Assets	Liabilities	Revenue	Profit/(Loss)
December 31, 2012				
Taiwan e-sports	$ 31,642	$ 13,000	$ 38,755	($ 14,537)
Machi Pictures	83,233	26,991	-	(3,757)
	$ 114,875	$ 39,991	$ 38,755	($ 18,294)

	Assets	Liabilities	Revenue	Profit/(Loss)
March 31, 2012				
Taiwan e-sports	$ 39,273	$ 12,317	$ 7,655	($ 6,222)
Encore	2,493	206	354	(234)
Niu Niu	11,438	10,007	4,214	(570)
Tang Chao	815	2,906	565	(519)
	$ 54,019	$ 25,436	$ 12,788	($ 7,545)

	Assets	Liabilities	Revenue	Profit/(Loss)
January 1, 2012				
Taiwan e-sports	$ 29,365	$ 11,051	$ 36,098	($ 14,602)
Encore	2,776	255	1,247	(2,267)
Niu Niu	10,925	10,900	1,008	(520)
Tang Chao	1,314	2,886	3,784	(2,271)
	$ 44,380	$ 25,092	$ 42,137	($ 19,660)

G. The fair value is not applicable to the Group since there is no fair value of the Group's associates which have quoted market price.

(8) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Equipment to be inspected	Total
At January 1, 2013									
Cost	$ 157,192	$ 211,280	$ 775,954	$ 7,904	$ 92,919	$ 123,746	$ 27,246	$ 2,673	$ 1,398,914
Accumulated depreciation	-	(43,570)	(361,359)	(1,410)	(52,072)	(72,961)	(9,174)	-	(540,546)
Accumulated impairment	-	-	(4,674)	-	(1,639)	-	-	-	(6,313)
	$ 157,192	$ 167,710	$ 409,921	$ 6,494	$ 39,208	$ 50,785	$ 18,072	$ 2,673	$ 852,055
Three-month period ended March 31, 2013									
Opening net book amount	$ 157,192	$ 167,710	$ 409,921	$ 6,494	$ 39,208	$ 50,785	$ 18,072	$ 2,673	$ 852,055
Additions	-	-	9,907	-	887	224	1,536	-	12,554
Disposals	-	-	(1,539)	36	(589)	(300)	(552)	-	(2,944)
Reclassifications	-	-	(10,868)	-	4,425	-	6,443	-	-
Depreciation charge	-	(1,743)	(37,803)	(424)	(3,936)	(14,509)	(2,167)	-	(60,582)
Net exchange differences	233	(45)	(332)	(620)	2	474	27	(157)	(418)
Closing net book amount	$ 157,425	$ 165,922	$ 369,286	$ 5,486	$ 39,997	$ 36,674	$ 23,359	$ 2,516	$ 800,665
At March 31, 2013									
Cost	$ 157,425	$ 206,585	$ 740,708	$ 7,277	$ 99,433	$ 119,155	$ 36,285	$ 2,516	$ 1,369,384
Accumulated depreciation	-	(40,663)	(365,112)	(1,791)	(59,392)	(82,481)	(12,926)	-	(562,365)
Accumulated impairment	-	-	(6,310)	-	(44)	-	-	-	(6,354)
	$ 157,425	$ 165,922	$ 369,286	$ 5,486	$ 39,997	$ 36,674	$ 23,359	$ 2,516	$ 800,665

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Equipment to be inspected	Total
At January 1, 2012									
Cost	$ 157,556	$ 226,501	$ 934,286	$ 4,780	$ 212,578	$ 78,169	$ 22,780	$ 16,450	$ 1,653,100
Accumulated depreciation	-	(48,390)	(590,203)	(1,194)	(123,565)	(31,653)	(7,973)	-	(802,978)
Accumulated impairment	-	-	-	-	(4,213)	-	-	-	(4,213)
	$ 157,556	$ 178,111	$ 344,083	$ 3,586	$ 84,800	$ 46,516	$ 14,807	$ 16,450	$ 845,909
Three-month period ended March 31, 2012									
Opening net book amount	$ 157,556	$ 178,111	$ 344,083	$ 3,586	$ 84,800	$ 46,516	$ 14,807	$ 16,450	$ 845,909
Acquired from business combinations	-	-	1,668	-	-	-	-	-	1,668
Additions	-	80	12,308	1,202	6,101	30,292	6,149	-	56,132
Disposals	-	-	(67)	(250)	(57)	-	-	-	(374)
Reclassifications	-	-	8,819	-	(6,766)	-	-	(2,053)	-
Depreciation charge	-	(2,059)	(33,320)	(295)	(7,032)	(9,456)	(1,603)	-	(53,765)
Net exchange differences	(239)	(1,888)	(5,121)	(1)	(1)	(566)	(42)	(657)	(8,515)
Closing net book amount	$ 157,317	$ 174,244	$ 328,370	$ 4,242	$ 77,045	$ 66,786	$ 19,311	$ 13,740	$ 841,055
At March 31, 2012									
Cost	$ 157,317	$ 212,657	$ 620,732	$ 4,594	$ 142,807	$ 107,599	$ 26,865	$ 13,740	$ 1,286,311
Accumulated depreciation	-	(38,413)	(292,362)	(352)	(61,581)	(40,813)	(7,554)	-	(441,075)
Accumulated impairment	-	-	-	-	(4,181)	-	-	-	(4,181)
	$ 157,317	$ 174,244	$ 328,370	$ 4,242	$ 77,045	$ 66,786	$ 19,311	$ 13,740	$ 841,055

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

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

(9) Intangible assets

	Patent	Agency	Software	Other intangible asset	Trademark	Goodwill	Total
At January 1, 2013							
Cost	$ 8,538	$ 316,260	$ 140,000	$ 70,837	$ 4,526	$ 88,548	$628,709
Accumulated amortization	(6,524)	(99,052)	(72,936)	(27,297)	(828)	-	(206,637)
Accumulated impairment	(505)	(50,762)	-	-	(377)	(9,130)	(60,774)
	$ 1,509	$ 166,446	$ 67,064	$ 43,540	$ 3,321	$ 79,418	$361,298
Three-month period ended March 31, 2013							
Opening net book amount	$ 1,509	$ 166,446	$ 67,064	$ 43,540	$ 3,321	$ 79,418	$361,298
Reclassifications	-	-	-	(7,015)	-	-	(7,015)
Additions	-	23,061	7,900	1,655	-	-	32,616
Amortization charge	(1,495)	(19,567)	(6,996)	(11,547)	(344)	-	(39,949)
Disposals	-	-	-	(1,061)	-	-	(1,061)
Impairment loss	-	-	-	-	-	(1,891)	(1,891)
Effect of exchange rate	20	(5,245)	(4,229)	4,751	211	644	(3,848)
Closing net book amount	$ 34	$ 164,695	$ 63,739	$ 30,323	$ 3,188	$ 78,171	$340,150
At March 31, 2013							
Cost	$ 8,742	$ 328,303	$ 141,919	$ 67,035	$ 4,634	$ 87,655	$638,288
Accumulated amortization	(8,203)	(112,846)	(78,180)	(36,712)	(1,069)	-	(237,010)
Accumulated impairment	(505)	(50,762)	-	-	(377)	(9,484)	(61,128)
	$ 34	$ 164,695	$ 63,739	$ 30,323	$ 3,188	$ 78,171	$340,150

	Patent	Agency	Software	Other intangible asset	Trademark	Goodwill	Total
At January 1, 2012							
Cost	$ 7,146	$ 425,723	$ 243,192	$ 53,703	$ 4,683	$ 90,604	$825,051
Accumulated amortization	(2,985)	(225,586)	(129,559)	(8,619)	-	-	(366,749)
Accumulated impairment	(505)	(12,081)	-	-	(377)	(4,891)	(17,854)
	$ 3,656	$ 188,056	$ 113,633	$ 45,084	$ 4,306	$ 85,713	$440,448
Three-month period ended March 31, 2012							
Opening net book amount	$ 3,656	$ 188,056	$ 113,633	$ 45,084	$ 4,306	$ 85,713	$440,448
Additions	-	36,192	21,986	4,975	-	-	63,153
Amortization charge	(2,238)	(40,694)	(14,800)	(610)	(86)	-	(58,428)
Disposals	-	-	-	(1,975)	-	-	(1,975)
Effect of exchange rate	1,494	3,742	(2,084)	(5,869)	(103)	(1,386)	(4,206)
Closing net book amount	$ 2,912	$ 187,296	$ 118,735	$ 41,605	$ 4,117	$ 84,327	$438,992
At March 31, 2012							
Cost	$ 8,640	$ 465,645	$ 263,351	$ 50,834	$ 4,580	$ 89,545	$882,595
Accumulated amortization	(5,223)	(266,268)	(144,616)	(9,229)	(86)	-	(425,422)
Accumulated impairment	(505)	(12,081)	-	-	(377)	(5,218)	(18,181)
	$ 2,912	$ 187,296	$ 118,735	$ 41,605	$ 4,117	$ 84,327	$438,992

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

	March 31, 2013	December 31, 2012
Goodwill		
Firedog	$ 14,407	$ 14,070
Playcoo	46,552	46,552
Fantasy Fish	1,891	1,891
GIH	26,696	26,035
	89,546	88,548
Less: accumulated impairment	(11,375)	(9,130)
	$ 78,171	$ 79,418

	March 31, 2012	January 1, 2012
Goodwill		
Firedog	$ 14,238	$ 14,593
Playcoo	46,128	46,128
Fantasy Fish	1,891	1,891
GIH	26,388	27,067
GCH	900	925
	89,545	90,604
Less: accumulated impairment	(5,218)	(4,891)
	$ 84,327	$ 85,713

B. Impairment information about the intangible assets is provided in Note 6(11).

(10)Non-current assets

	March 31, 2013	December 31, 2012
Overdue accounts receivable	$ 67,420	$ 70,471
Less: Allowance for doubtful accounts	(60,072)	(60,073)
Refundable deposit	49,406	51,101
Prepayment for investments	6,585	8,585
Others	6,165	1,226
	$ 69,504	$ 71,310

	March 31, 2012	January 1, 2012
Overdue accounts receivable	$ 68,716	$ 74,676
Less: Allowance for doubtful accounts	(57,378)	(57,387)
Refundable deposit	55,709	57,672
Prepayment for investments	26,585	6,000
Others	641	12,699
	$ 94,273	$ 93,660

The Company's indirect subsidiary, Jsdway Digital Technology Co., Ltd., did not fully provide its overdue accounts receivable with allowance as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012 since based on its assessment, such receivables were collectible.

(11)Impairment of non-financial assets

A. The Group recognized impairment loss amounting to $2,989 and $0 for the three-month periods ended March 31, 2013 and 2012, respectively. Details of such loss are as follows:

	For the three-month period ended March 31, 2013	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodiwll	$ 1,891	$ -
Impairment loss-investment accounted for under equity method	1,098	-
	$ 2,989	$ -

B. The Company's associate, Machi Pictures Co., Ltd. and the subsidiary, Fantasy Fish Digital Games Co., Ltd. recognized impairment on investment and impairment loss on goodwill for the three-month period ended March 31, 2013 since the recoverable amounts of the value of future cash inflows are lower than the carrying amount. The value of future cash inflows was based on the best estimate of information available on balance sheet date.

(12)Short-term borrowings

	March 31, 2013	December 31, 2012
Unsecured bank loans	$ 82,728	$ 69,070
Credit lines	$ 2,178,987	$ 2,714,713
Interest rate	1.18%~7.20%	1.80%~7.20%

	March 31, 2012	January 1, 2012
Unsecured bank loans	$ 92,203	$ 92,563
Credit lines	$ 2,224,398	$ 2,191,813
Interest rate	1.16%~9.18%	1.40%~9.18%

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

Items	March 31, 2013	December 31, 2012
Current items		
Financial liabilities designated as at fair value through profit or loss on initial recognition		
Callable preferred stock liability	$ 2,850	$ 2,850
Valuation adjustment of financial liabilities designated as at fair value through profit or loss on initial recognition	6,766	6,766
Total	$ 9,616	$ 9,616

Items	March 31, 2012	January 1, 2012
Non-current items		
Financial liabilities designated as at fair value through profit or loss on initial recognition		
Callable preferred stock liability	$ 2,850	$ 2,850
Valuation adjustment of financial liabilities designated as at fair value through profit or loss on initial recognition	3,803	3,803
Total	$ 6,653	$ 6,653

There were no financial liabilities at fair value through profit or loss-non-current as of March 31, 2012 and January 1, 2012. Further, there were no financial liabilities at fair value through profit or loss-current as of March 31, 2013 and December 31, 2012.

For business operation purposes, the Company's domestic subsidiary, Gameastor Digital Entertainment Co., Ltd., formerly Taiwan Index Co., Ltd., issued 285 thousand shares of preferred stock at a par value of $10 (NT dollars) per share in the amount of $2,850 which was approved by the Board of Directors on March 30, 2010. At the expiration of three years from issuance date, if the fair value of the preferred stock is higher than the appointed base price, Gameastor Digital Entertainment Co., Ltd. can request for the redemption of the stock based on the fair value, otherwise it will have to redeem the stock based on the appointed base price.

(14)Other payables

	March 31, 2013	December 31, 2012
Accrued expenses	$ 307,185	$ 326,126
Other payables	54,556	47,784
	$ 361,741	$ 373,910

	March 31, 2012	January 1, 2012
Accrued expenses	$ 438,600	$ 545,350
Other payables	278,136	179,212
	$ 716,736	$ 724,562

Accrued expenses include salary payables, advertising payables, bonus payables and directors' and supervisors' remuneration, etc. Other payables include equipment payables, tax payables, accounts payable for agency receipt of other entities, etc.

(15)Other current liabilities

	March 31, 2013	December 31, 2012
Unearned revenue collected in advance	$ 468,400	$ 372,626
Current portion of long-term liabilities	22,841	27,097
Receipts under custody	13,491	3,943
Tax receipts under custody	2,740	7,105
Other current liabilities-others	48,703	3,650
Total	$ 556,175	$ 414,421

	March 31, 2012	January 1, 2012
Unearned revenue collected in advance	$ 381,000	$ 506,160
Current portion of long-term liabilities	21,789	26,869
Receipts under custody	17,007	6,473
Tax receipts under custody	1,705	7,663
Other current liabilities-others	6,460	1,559
Total	$ 427,961	$ 548,724

(16)Bonds payable

	March 31, 2013	December 31, 2012
Bonds payable	$ 52,732	$ 64,132
Less: Current portion	(18,421)	(19,577)
	$ 34,302	$ 44,555

	March 31, 2012	January 1, 2012
Bonds payable	$ 17,969	$ 25,463
Less: Current portion	(3,594)	(3,905)
	$ 14,375	$ 21,558

The Company's subsidiary, Gamania Digital Entertainment (Japan) Co., Ltd., issued unsecured corporate bonds in the amount of JPY200 million, as approved by the local competent authorities. The major terms of the corporate bonds are as follows:

Issue Date	Term	Total credit line	Coupon rate	Repayment terms
2011.10.31	Five years	$ 17,696 (JPY 50 million)	0.63%	Amount of JPY 5 million is repayable for the principal in each April and October from the issue date, and simple interest is payable every year from the issue date based on the coupon rate.
2012.07.31	Three years	$ 56,740 (JPY 150 million)	0.49%	Amount of JPY 24 million is repayable for the principal in each January and July from the issue date, and simple interest is payable every year from the issue date based on the coupon rate.

(17)Long-term borrowings

Bank	Period / Terms of repayment	Interest	Collateral	March 31, 2013
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 3,812
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	389
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	219
				4,420
Less: Current portion				(4,420)
				$ -

Bank	Period / Terms of repayment	Interest	Collateral	December 31, 2012
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 6,750
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	506
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	286
				7,542
Less: Current portion				(7,520)
				$ 22

Bank	Period / Terms of repayment	Interest	Collateral	March 31, 2012
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 5,966
Sumitomo Mitsui Banking Coporation	2009/8/31~2012/8/30 Equal quarterly installments	2.225%	Note	15,813
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	817
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	481
				23,077
Less: Current portion				(18,195)
				$ 4,882

Bank	Period / Terms of repayment	Interest	Collateral	January 1, 2012
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 20,305
Sumitomo Mitsui Banking Coporation	2009/8/31~2012/8/30 Equal quarterly installments	2.225%	Note	9,739
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	933
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	549
				31,526
Less: Current portion				(22,964)
				$ 8,562

Note: The ultimate parent, Gamania Digital Entertainment Co., Ltd., is the guarantor.

The Group has the following undrawn borrowing facilities:

	March 31, 2013	December 31, 2012
Fixed rate:		
Expiring within one year	$ 29,291	$ 61,651
Expiring beyond one year	-	505
	$ 29,291	$ 62,156

	March 31, 2012	January 1, 2012
Fixed rate:		
Expiring within one year	$ -	$ -
Expiring beyond one year	50,097	48,053
	$ 50,097	$ 48,053

(18)Pensions

A.

a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

b) The amounts recognised in the balance sheet are determined as follows:

	December 31, 2012	January 1, 2012
Present value of funded obligations	$ 81,914	$ 62,358
Fair value of plan assets	(50,956)	(49,124)
	30,958	13,234
Present value of unfunded obligations	-	-
Unecognised actuarial losses/(gains)	-	-
Unrecognised past service cost	-	-
Net liability in the balance sheet	$ 30,958	$ 13,234

c) The Group recognised pension expenses of $398 and $524 in the statement of comprehensive income for the three-month periods ended March 31, 2013 and 2012, respectively.

d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of March 31, 2013 and 2012 is given in the Annual Labor Retirement Fund Utilisation Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

e) The principal actuarial assumptions used were as follows:

	2012	2011
Discount rate	1.50%	1.75%
Future salary increases	3.00%~3.50%	2.50%~3.50%
Expected return on plan assets	1.50%	1.75%

Assumptions regarding future mortality experience are set based on Taiwan Standard Ordinary Experience Mortality Table (2008).

f) Historical information of experience adjustments was as follows:

	2012
Present value of defined benefit obligation	$ 81,914
Fair value of plan assets	(50,956)
Deficit in the plan	$ 30,958
Experience adjustments on plan liabilities	$ 6,175
Experience adjustments on plan assets	($ 430)

g) Expected contributions to the defined benefit pension plans of the Group within one year from March 31, 2013 are $2,628.

B.

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

b) The Company’s mainland subsidiary, Gamania Digital Entertainment (Beijing) Co., Ltd., has 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 certain percentage of employees’ monthly salaries and wages. The contribution percentage for the three-month periods ended March 31, 2013 and 2012 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.

c) Gamania Digital Entertainment (Japan) Co., Ltd., Gamania Korea Co., Ltd., Tornado Studio Co., Ltd., Gash Plus (Hong Kong) Company Limited, Gamania Digital Entertainment (H.K.) Co., Ltd. and Firedog Studio Company Limited provide pension reserves annually for their employees in accordance with the local regulations.

d) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2013 and 2012 were $10,769 and $14,517, respectively.

(19) Share-based payment

A. As of March 31, 2013 and 2012, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2007.12.17	12,000,000 units	6 years	Note

Note: Employees will be able to exercise these options after two years in accordance with the procedures of the employee stock option plan.

The above share-based payment arrangements are equity-settled.

B. Details of the share-based payment arrangements are as follows:

	For the three-month periods ended March 31,			
	2013		2012	
	No. of options	Weighted-average exercise price (in dollars) (Note 1)	No. of options	Weighted-average exercise price (in dollars) (Note 1)
Options outstanding at beginning of the period	4,742	23.00	4,904	23.60
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options forfeited	-	-	-	-
Options exercised (Notes 2 and 3)	(214)	-	(58)	-
Options expired	(17)	-	(4)	-
Options outstanding at end of the period	4,511	23.00	4,842	23.60
Options exercisable at end of the period	4.511		4,842	

Note 1: The exercise price has been adjusted in accordance with the terms of the plan.

Note 2: As of March 31, 2012, 58 thousand shares for the three-month period ended March 31, 2012, and 3 thousand shares for the year ended December 31, 2011 had not been registered and were accounted for under stock subscriptions received in advance.

Note 3: As of March 31, 2013, 2,142 thousand shares for the three-month period ended March 31, 2013, and 149 thousand shares for the year ended December 31, 2012 had not been registered and were accounted for under stock subscriptions received in advance.

C. The weighted-average stock price of stock options at exercise dates for the three-month periods ended March 31, 2013 and 2012 was $25.85 and $29.90 (in dollars), respectively.

D. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the range of exercise prices of stock options outstanding was $23, $23, $23.6 and $23.6 (in dollars), respectively; the weighted-average remaining contractual period was 0.67 years, 0.92 years, 1.67 years and 1.92 years, respectively.

(20)Provisions for other liabilities-non current

	Decommissioning liabilities
At January 1, 2013	$ 5,421
Additional provisions	1,748
Exchange differences	(302)
At March 31, 2013	$ 6,867

	Decommissioning liabilities
At January 1, 2013	$ 6,131
Additional provisions	-
Exchange differences	(488)
At March 31, 2013	$ 5,643

According to the policy published, applicable agreement or the law/regulation requirement, the Group bears dismantling, removing the asset and restoring the site obligations for certain property, plant and equipment which were placed in Hong Kong and Japan in the future. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the provision will start to be used from 2013.

(21)Common stock

As of March 31, 2013, the Company's authorized capital was $2,500,000, consisting of 250,000 thousand shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was $1,568,685 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(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) Retained earnings

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

a) Paying all taxes and duties.

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

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

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

e) Interest on capital.

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

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

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

C.

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

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

D. The appropriations of 2011 earnings had been approved at the stockholders' meeting on June 22, 2012. Details are summarized below:

	2011 Earnings	
	Amount	Dividend per Share (in dollars)
Legal reserve	$ 18,701	
Cash dividends	125,450	$ 0.80
Employees' bonuses	Note	
Directors' and supervisors' remuneration	〃	

Note: The amounts approved during the stockholders' meeting for employees' bonus and directors' and supervisors' remuneration are $27,500 and $3,050, respectively.

The amount approved during the stockholders' meeting for the distribution of 2011 earnings for cash dividends was the same with the amount approved by the Company's Board of Directors on April 27, 2012.

E. Pursuant to a resolution approved in the board of directors' meeting on March 25, 2012, the Company made the following appropriations of 2012 net income: legal reserve of $159,610, capital surplus of $123,619 and cover the accumulated deficit of $283,229. As of May 9, 2013, the appropriation of 2012 earnings had not been resolved at the stockholders' meeting.

F. For the three-month periods ended March 31, 2013 and 2012, employees' bonus was accrued at $13,701 and $8,314, respectively; directors' and supervisors' remuneration was accrued at $1,827 and $1,109, respectively. The above amounts constitute 10%~15% and 2%, respectively, of the net income after taking into account the legal reserve, and are recognized as operating cost and expense. If the actual distribution amounts are different from the estimated amounts, the difference will be adjusted in the income statement of the following year.

G. The distribution of the employees' bonus and the directors' and supervisors' remuneration in 2011, as mentioned in D) above, was different from the employees' bonus of $27,532 and directors' and supervisors' remuneration of $3,671 recognized in the 2011 financial statements. The differences of $32 and $171, respectively, had been adjusted in the comprehensive income statement for the year ended December 31, 2012. The Company did not recognize any employees' bonus or directors' and supervisors' remuneration in 2012 due to accumulated deficit.

(24)Other equity items

	Available-for-sale investment	Currency translation	Total
At January 1, 2013	$ 15,032	($ 44,930)	($ 29,898)
Revaluation-gross	438	-	438
Currency translation differences:			
- Group	-	2,053	2,053
At March 31, 2013	$ 15,470	($ 42,877)	($ 27,407)

	Available-for-sale investment	Currency translation	Total
At January 1, 2012	$ 37,708	$ -	$ 37,708
Currency translation differences:			
- Group	-	(33,620)	(33,620)
At March 31, 2012	$ 37,708	($ 33,620)	$ 4,088

(25)Operating revenue

	For the three-month periods ended March 31, 2013	2012
Sales revenue-net	$ 2,019,237	$ 2,005,294
Service revenue	6,590	4,156
Other operating revenue	38,578	1,961
Total	$ 2,064,405	$ 2,011,411

(26)Other income

	For the three-month periods ended March 31, 2013	2012
Rental revenue	$ 217	$ 12,187
Interest income from bank deposits	953	1,077
Other income	4,729	7,174
Total	$ 5,899	$ 20,438

(27)Other gains and losses

	For the three-month periods ended March 31, 2013	2012
Net (losses) gains on financial assets at fair value through profit or loss	($ 518)	$ 491
Net currency exchange (losses) gain	(1,162)	1,386
(Losses) gains on disposal of property, plant and equipment	(116)	136
Impairment loss	(2,989)	-
Others	(7,133)	(4,265)
Total	($ 11,918)	($ 2,252)

(28)Finance costs

	For the three-month periods ended March 31, 2013	2012
Interest expense:		
Bank borrowings	$ 1,323	$ 1,370

(29)Expenses by nature

	For the three-month periods ended March 31, 2013	2012
On-line game cost	$ 550,109	$ 667,582
Commission cost	406,687	380,405
Employee benefit expenses	338,591	397,538
Cost of physical sales	329,918	66,394
Depreciation on property, plant and equipment	60,582	53,765
Advertising expense	54,209	100,965
Amortisation expense	41,732	57,308
Operating lease payments	30,589	35,559
Service fee	22,962	24,161
Research and designing expense	1,446	36,672
Other expenses	78,578	30,144
Other operating cost	32,617	76,772
Total	$ 1,948,020	$ 1,927,265

(30)Employee benefit expense

	For the three-month periods ended March 31, 2013	2012
Wages and salaries	$ 292,763	$ 335,484
Employee stock options	208	-
Labor and health insurance fees	22,131	27,700
Pension costs	11,167	15,041
Other personnel expenses	12,322	19,313
	$ 338,591	$ 397,538

(31)Income tax

A. Income tax expense

Components of income tax expense:

	For the three-month periods ended March 31, 2013	2012
Current tax		
Current tax on profits for the period	$ 23,563	$ 44,901
Adjustments in respect of prior years	7,500	-
Total current tax	31,063	44,901
Deferred tax		
Origination and reversal of temporary differences	(3,831)	(3,160)
Impact of change in tax rate	-	-
Total deferred tax	(3,831)	(3,160)
Income tax expense	$ 27,232	$ 41,741

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

	Latest Year Assessed by Tax Authority
The Company	2009
Fundation, Redgate, Seedo, Gamania Asia Investment, Fantasy, Gameastor, Playcoo, Jsdway	2010
Gash Plus (Taiwan)	Not assessed yet

C. Unappropriated retained earnings:

	March 31, 2013	December 31, 2012
Earnings generated in and before 1997	$ -	$ -
Earnings generated in and after 1998	(239,413)	(322,219)
	($ 239,413)	($ 322,219)

	March 31, 2012	January 1, 2012
Earnings generated in and before 1997	$ -	$ -
Earnings generated in and after 1998	207,133	159,424
	$ 207,133	$ 159,424

D. The Company's balance of shareholders account of deductible tax and estimated creditable tax ratio are as follows:

	March 31, 2013	December 31, 2012
Balance of shareholders deductible tax	$ 41,444	$ 41,444

	March 31, 2012	January 1, 2012
Balance of shareholders deductible tax	$ 18,150	$ 33,454

	2012 (Estimate)	2011 (Actual)
Creditable tax ratio	(Note)	23.38%

Creditable ratio = Imputation tax credit account balance/Accumulated undistributed earnings account balance

The calculation of accumulated undistributed earnings as above are based on the Company's consideration of the amendment associated with income tax and accumulated undistributed earnings, on and after January 1, 1998 which was handled based on the requirement of R.O.C. Company Law associated with preparing financial statements.

Note: Due to the Company's accumulated deficit in 2012, there is no creditable ratio.

(32)Earnings per share

A. Basic

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

B. Diluted

Diluted earnings per share is calculated by adjusting the profit attributable to ordinary shareholders of the parent and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	For the three-month period ended March 31, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 82,806	156,940	$ 0.53
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 82,806	156,940	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	497	
Employees' bonus	-	559	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 82,806	157,996	$ 0.52

	For the three-month period ended March 31, 2012		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 49,242	156,772	$ 0.31
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 49,242	156,772	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	1,020	
Employees' bonus	-	278	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 49,242	158,070	$ 0.31

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

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

(2) Significant transactions and balances with related parties

A. Usage of intangible assets:

	For the three-month periods ended March 31, 2013	2012
License fees:		
Associates	$ 219,675	$ 298,015

The above represents payments for license fees as agent of the related party's on-line games. The license fees are negotiated based on different factors.

B. Period-end balances arising from usage of intangible:

	March 31, 2013	December 31, 2012
Payables to related parties:		
Associates	$ 74,606	$ 62,027

	March 31, 2012	January 1, 2012
Payables to related parties:		
Associates	$ 70,012	$ 72,099

The payables to related parties arise mainly from purchase for right of agency and on-line games license fees and are due 60 days after the date of purchase. The payables bear no interest.

C. Property transactions:

Period-end balances arising from purchase for royalties of agency:

	March 31, 2013	December 31, 2012
Purchase for royalties of agency		
- Associates	$ 48,970	$ 53,601

	March 31, 2012	January 1, 2012
Purchase for royalties of agency		
- Associates	$ 38,540	$ 49,946

The above represents payment for on-line games license fees.

D. Other significant transactions and balances with related parties:

	For the three-month periods ended March 31, 2013	2012
Donation		
Associates	$ -	$ 1,500

	March 31, 2013	December 31, 2012
Other payables to related parties		
Associates	$ -	$ 3,675

The above represents payments for membership and annual fee and advertising expenses.

There is no balance for March 31, 2012 and January 1, 2012.

(3) Key management compensation

	For the three-month periods ended March 31, 2013	2012
Salaries and other short-term employee benefits	$ 9,970	$ 8,827
Post-employment benefits	53	34
Total	$ 10,023	$ 8,861

8. PLEDGED ASSETS

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

Pledged assets	Book value March 31, 2013	Book value December 31, 2012	Purpose
Demand deposits (shown in other financial assets-current)	$ 5,000	$ 19	Credit card merchant guarantee Department of creditor claimed seizure
Property, plant and equipment			
Land	81,748	81,748	Short-term and long-term loans / Credit lines
Buildings	121,389	70,443	〃
Transportation equipment	1,526	1,629	Long-term loans guarantee
	$ 209,663	$ 153,839	

Pledged assets	Book value March 31, 2012	Book value January 1, 2012	Purpose
Time deposits (shown in other financial assets-current)	$ 40,747	$ 7,815	Short-term loans guarnatee
Property, plant and equipment			
Land	90,629	90,254	Short-term and long-term loans / Credit lines
Buildings	72,136	70,519	〃
Transportation equipment	1,938	2,041	Long-term loans guarantee
	$ 205,450	$ 170,629	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The Company signed operating lease agreements and the future lease payments under operating leases within three years are as follows:

	March 31, 2013	December 31, 2012
Warehouse office, building and parking lot	$ 162,848	$ 93,637
Transportation equipment	1,964	2,259
Networking device	26,051	30,422
Total	$ 190,863	$ 126,318

	March 31, 2012	January 1, 2012
Warehouse office, building and parking lot	$ 134,817	$ 201,834
Transportation equipment	3,142	4,583
Networking device	5,181	6,925
Total	$ 143,140	$ 213,342

B. The subsidiary signed a contract for the development of a website and the total future contract payment as of March 31, 2013 was $1,446.

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Fair value information of financial instruments

	March 31, 2013	
	Book value	Fair value
Financial assets:		
Cash and cash equivalents	$ 1,498,104	$ 1,498,104
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	16,391	16,391
Available-for-sale financial assets		
Equity securities investments	69,243	69,243
Notes receivable	23,580	23,580
Accounts receivable	1,410,751	1,410,751
Other receivables	40,428	40,428
Other financial assets	54,506	54,506
Total	$ 3,113,003	$ 3,113,003

	December 31, 2012	
	Book value	Fair value
Financial assets:		
Cash and cash equivalents	$ 1,348,499	$ 1,348,499
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	9,119	9,119
Available-for-sale financial assets		
Equity securities investments	66,805	66,805
Notes receivable	22,503	22,503
Accounts receivable	1,057,884	1,057,884
Other receivables	36,073	36,073
Other financial assets	51,120	51,120
Total	$ 2,592,003	$ 2,592,003

	March 31, 2012	
	Book value	Fair value
Financial assets:		
Cash and cash equivalents	$ 1,963,277	$ 1,963,277
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	51,786	51,786
Available-for-sale financial assets		
Equity securities investments	162,002	162,002
Notes receivable	20,166	20,166
Accounts receivable	998,596	998,596
Other receivables	71,577	71,577
Other financial assets	96,456	96,456
Total	$ 3,363,860	$ 3,363,860

	January 1, 2012	
	Book value	Fair value
Financial assets:		
Cash and cash equivalents	$ 2,025,722	$ 2,025,722
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	12,689	12,689
Available-for-sale financial assets		
Equity securities investments	162,002	162,002
Notes receivable	29,099	29,099
Accounts receivable	1,060,946	1,060,946
Other receivables	62,147	62,147
Other financial assets	65,487	65,487
Total	$ 3,418,092	$ 3,418,092

	March 31, 2013	
	Book value	Fair value
Financial liabilities:		
Short-term borrowings	$ 82,728	$ 82,728
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss on initial recognition	9,616	9,616
Notes payable	37,176	37,176
Accounts payable (including related party)	1,084,776	1,084,776
Other payables	361,741	361,741
Bonds payable (including current portion)	52,723	52,723
Long-term borrowings (including current portion)	4,420	4,420
Other financial liabilities	8,641	8,641
Total	$ 1,641,821	$ 1,641,821

	December 31, 2012	
	Book value	Fair value
Financial liabilities:		
Short-term borrowings	$ 69,070	$ 69,070
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss on initial recognition	9,616	9,616
Notes payable	28,905	28,905
Accounts payable (including related party)	777,135	777,135
Other payables	373,910	373,910
Bonds payable (including current portion)	64,132	64,132
Long-term borrowings (including current portion)	7,542	7,542
Other financial liabilities	8,716	8,716
Total	$ 1,339,026	$ 1,339,026

	March 31, 2012	
	Book value	Fair value
Financial liabilities:		
Short-term borrowings	$ 92,203	$ 92,203
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss on initial recognition	6,653	6,653
Notes payable	19,633	19,633
Accounts payable (including related party)	673,218	673,218
Other payables	716,736	716,736
Bonds payable (including current portion)	17,969	17,969
Long-term borrowings (including current portion)	23,077	23,077
Other financial liabilities	5,643	5,643
Total	$ 1,555,132	$ 1,555,132

	January 1, 2012	
	Book value	Fair value
Financial liabilities:		
Short-term borrowings	$ 92,563	$ 92,563
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss on initial recognition	6,653	6,653
Notes payable	30,006	30,006
Accounts payable (including related party)	770,334	770,334
Other payables	724,562	724,562
Bonds payable	25,463	25,463
Long-term borrowings (including current portion)	31,526	31,526
Other financial liabilities	5,761	5,761
Total	$ 1,686,868	$ 1,686,868

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

<u>Foreign exchange risk</u>

i. Each of the entities in the Group operates in different countries and are 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 has set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities are denominated in a currency which is not the entity's functional currency.

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

	March 31, 2013					
				Sensitivity Analysis		
	Foreign Curreny Amount (In Thousands)	Exchange rate	Book Value (NTD)	Extent of Variation	Effect on Profit or Loss	Effect on Equity
Foreign currency: functional currency						
Financial assets						
USD:NTD	$ 2,572	29.8754	$ 76,840	1%	$ 768	$ -
RMB:NTD	1,357	4.8102	6,527	1%	65	-
HKD:NTD	1,003	3.8487	3,860	1%	39	-
JPY:NTD	24,999	0.3176	7,940	1%	79	-
KRW:NTD	713,244	0.0269	19,186	1%	192	-
RMB:USD	3,796	0.1610	18,258	1%	183	-
HKD:USD	126,500	0.1288	486,759	1%	4,868	-
Financial liabilities						
USD:NTD	$ 5,255	29.875	$ 156,993	1%	$ 1,570	$ -
EUR:NTD	32	38.277	1,225	1%	12	-
KRW:NTD	192,430	0.0269	5,176	1%	52	-
RMB:USD	9,624	0.1610	46,290	1%	463	-
HKD:USD	45,400	0.1288	174,695	1%	1,747	-

	December 31, 2012					
				Sensitivity Analysis		
	Foreign Curreny Amount (In Thousands)	Exchange rate	Book Value (NTD)	Extent of Variation	Effect on Profit or Loss	Effect on Equity
Foreign currency: functional currency						
Financial assets						
USD:NTD	$ 2,694	29.14	$ 78,503	1%	$ 785	$ -
KRW:NTD	1,139,913	0.0272	31,006	1%	310	-
JPY:NTD	41,517	0.3375	14,012	1%	140	-
RMB:USD	14,118	0.1604	65,988	1%	660	-
HKD:USD	33,652	0.1290	126,500	1%	1,265	-
KRW:USD	375,015	0.0009	9,835	1%	984	-
JPY:USD	838,954	0.0116	283,587	1%	2,836	-
Financial liabilities						
USD:NTD	$ 6,360	29.14	$ 185,330	1%	$ 1,853	$ -
KRW:NTD	362,331	0.0272	9,855	1%	99	-
RMB:USD	6,516	0.1604	30,456	1%	305	-
HKD:USD	12,878	0.1290	48,409	1%	484	-
JPY:USD	477,760	0.0116	161,494	1%	1,615	-

	March 31, 2012					
				Sensitivity Analysis		
	Foreign Curreny Amount (In Thousands)	Exchange rate	Book Value (NTD)	Extent of Variation	Effect on Profit or Loss	Effect on Equity
Foreign currency: functional currency						
Financial assets						
USD:NTD	$ 3,085	29.53	$ 91,000	1%	$ 911	$ -
KRW:NTD	445,817	0.0261	11,636	1%	116	-
JPY:NTD	26,170	0.3594	9,405	1%	94	-
RMB:USD	7,460	0.1588	34,983	1%	350	-
HKD:USD	46,281	0.1288	176,028	1%	1,760	-
KRW:USD	131,256	0.0009	3,488	1%	35	-
JPY:USD	761,971	0.0122	274,512	1%	2,745	-
Financial liabilities						
USD:NTD	$ 5,057	29.53	$ 149,333	1%	$ 1,493	$ -
KRW:NTD	151,812	0.0261	3,962	1%	40	-
RMB:USD	11,436	0.1588	53,628	1%	536	-
HKD:USD	15,331	0.1288	58,311	1%	583	-
JPY:USD	522,568	0.0122	188,263	1%	1,883	-

	January 1, 2012					
				Sensitivity Analysis		
	Foreign Curreny Amount (In Thousands)	Exchange rate	Book Value (NTD)	Extent of Variation	Effect on Profit or Loss	Effect on Equity
Foreign currency: functional currency						
Financial assets						
USD:NTD	$ 2,786	30.29	$ 84,388	1%	$ 844	$ -
KRW:NTD	527,776	0.0263	13,881	1%	139	-
RMB:USD	23,647	0.1589	113,815	1%	1,138	-
HKD:USD	60,843	0.1287	237,186	1%	2,372	-
JPY:USD	807,458	0.0129	315,507	1%	3,155	-
Financial liabilities						
USD:NTD	$ 6,627	30.29	$ 200,732	1%	$ 2,007	$ -
KRW:NTD	338,493	0.0263	8,902	1%	89	-
RMB:NTD	271	4.8125	1,304	1%	13	-
RMB:USD	10,311	0.1589	49,628	1%	496	-
HKD:USD	16,337	0.1287	63,687	1%	637	-
JPY:USD	399,210	0.0129	155,988	1%	1,560	-

Price risk

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

The Group's investments in equity securities comprise of domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. However, the Company has set stop-loss amounts for those assets; therefore, no material market risk is expected.

Interest rate risk

i. The Group's interest rate risk arises from each borrowing. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The interest rates that are used for short-term borrowings of the Group are mainly floating rate and for long-term borrowings are fixed rates. During the three-month periods ended March 31, 2013 and 2012, the Group's borrowings at variable rate were denominated in the NTD, RMB and JPY.

ii. At March 31, 2013 and 2012, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2013 and 2012 would have been $827 and $922 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

b) Credit risk

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

ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

iii. The details of credit quality of the Group's significant financial assets are provided in Note 6 (5).

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 maturity date.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Over 3 years	Contractual cash flows	Carrying amount
March 31, 2013					
Short-term borrowings	$ 82,728	$ -	$ -	$ 82,728	$ 82,728
Notes payable	37,176	-	-	37,176	37,176
Accounts payable	1,010,170	-	-	1,010,170	1,010,170
Accounts payable-related party	74,606	-	-	74,606	74,606
Other payables	361,741	-	-	361,741	361,741
Bonds payable	18,421	34,302	-	52,723	52,723
Deposits received	91	8,520	30	8,641	8,641
Long-term borrowings (including current portion)	4,420	-	-	4,420	4,420

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Over 3 years	Contractual cash flows	Carrying amount
December 31, 2012					
Short-term borrowings	$ 69,070	$ -	$ -	$ 69,070	$ 69,070
Notes payable	28,905	-	-	28,905	28,905
Accounts payable	715,108	-	-	715,108	715,108
Accounts payable-related party	62,027	-	-	62,027	62,027
Other payables	373,910	-	-	373,910	373,910
Bonds payable	19,577	44,555	-	64,132	64,132
Deposits received	4,902	1,240	2,574	8,716	8,716
Long-term borrowings (including current portion)	7,520	22	-	7,542	7,542

Non-derivative financial liabilities:

March 31, 2012	Less than 1 year	Between 1 and 3 years	Over 3 years	Contractual cash flows	Carrying amount
Short-term borrowings	$ 92,203	$ -	$ -	$ 92,203	$ 92,203
Notes payable	19,633	-	-	19,633	19,633
Accounts payable	603,206	-	-	603,206	603,206
Accounts payable-related party	70,012	-	-	70,012	70,012
Other payables	716,736	-	-	716,736	716,736
Bonds payable	3,594	14,375	-	17,969	17,969
Deposits received	1,479	1,475	2,689	5,643	5,643
Long-term borrowings (including current portion)	18,195	4,882	-	23,077	23,077

Non-derivative financial liabilities:

January 1, 2012	Less than 1 year	Between 1 and 3 years	Over 3 years	Contractual cash flows	Carrying amount
Short-term borrowings	$ 92,563	$ -	$ -	$ 92,563	$ 92,563
Notes payable	30,006	-	-	30,006	30,006
Accounts payable	698,235	-	-	698,235	698,235
Accounts payable-related party	72,009	-	-	72,009	72,009
Other payables	724,562	-	-	724,562	724,562
Bonds payable	3,905	17,653	3,905	25,463	25,463
Deposits received	2,010	1,408	2,343	5,761	5,761
Long-term borrowings (including current portion)	22,964	8,562	-	31,526	31,526

(3) Fair value estimation

A. The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value at March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012.

March 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 13,541	$ -	$ -	$ 13,541
Callable preferred stock	-	-	2,850	2,850
Available-for-sale financial assets	-	-	69,243	69,243
	$ 13,541	$ -	$ 72,093	$ 85,634
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Callable preferred stock	$ -	$ -	$ 9,616	$ 9,616

December 31, 2012	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 6,269	$ -	$ -	$ 6,269
Callable preferred stock	-	-	2,850	2,850
Available-for-sale financial assets	-	-	66,805	66,805
	$ 6,269	$ -	$ 69,655	$ 75,924
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Callable preferred stock	$ -	$ -	$ 9,616	$ 9,616

March 31, 2012	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 48,936	$ -	$ -	$ 48,936
Callable preferred stock	-	-	2,850	2,850
Available-for-sale financial assets	-	-	162,002	162,002
	$ 48,936	$ -	$ 164,852	$ 213,788
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Puttable preferred stock	$ -	$ -	$ 6,653	$ 6,653

January 1, 2012	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 9,839	$ -	$ -	$ 9,839
Callable preferred stock	-	-	2,850	2,850
Available-for-sale financial assets	-	-	162,002	162,002
	$ 9,839	$ -	$ 164,852	$ 174,691
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Puttable preferred stock	$ -	$ -	$ 6,653	$ 6,653

B. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices must represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily of equity instruments classified as financial assets/financial liabilities at fair value through profit or loss or available-for-sale financial assets.

C. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs are required to fair value an instrument, the instrument is included in level 2.

D. If one or more significant inputs is not based on observable market data, the instrument is included in level 3.

E. Specific valuation techniques used to value financial instruments include:

a) Quoted market prices or dealer quotes of similar instruments.

b) The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on observable yield curves.

c) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date. The resulting value would be discounted back to present value.

d) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

13.SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information of certain investments were not reviewed by independnt accountants and are for reference only.

A)Loans to others: None.

B)Provision of endorsements and guarantees to others:

The Company or investee companies		Parties being guaranteed		Limit of guarantee for each party (Note 3)	Maximum outstanding guarantee amount for the three-month period ended March 31, 2013	Outstanding guarantee amount at March 31, 2013	Actual amount drawn down	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net value of the Company	Maximum amount available for guarantee (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary (Note 4)	Provision of endorsements / guarantees by subsidiary to parent company (Note 4)	Provision of endorsements / guarantees to the party in Mainland China (Note 4)	Note
Number (Note 1)	Name	Name	Relationship with the Company (Note 2)											
0	The Company	Gash Plus Company Ltd.	2	$ 470,606	$ 428,000	$ 428,000	$ 300,000	None	18.84%	$ 1,568,685	Y			
0	The Company	Gameastor Digital Entertainment Co., Ltd.	2	470,606	50,000	50,000	-	None	2.15%	1,568,685	Y			
0	The Company	Gamania Digital Entertainment (Japan) Co., Ltd.	3	470,606	113,470	94,770	55,598	None	4.07%	1,568,685	Y			
0	The Company	Gamania Digital Entertainment (U.S.) Co., Ltd.	3	470,606	3,232	3,068	3,068	None	0.13%	1,568,685	Y			
0	The Company	Gamania Digital Entertainment (Beijing) Co., Ltd.	3	470,606	70,440	46,496	46,496	None	2.00%	1,568,685	Y			

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows.
Number 0 represents the Company.

Note 2: Number 2 means the Company directly owns over 50% of the shares of the subsidiary.
Number 3 means the Company and the subsidiary own over 50% of the shares of the investee company.

Note 3: The Company provides guarantee for the subsidiaries in which the Company directly or indirectly holds more than 50% voting rights. The limit of guarantee for each party is 30% of the Company's capital, and the maximum amount available for guarantee is the Company's capital.

Note 4: Y means provision of endorsements / guarantees by listed parent company to subsidiary, and provision of endorsements / guarantees by subsidiary to listed parent company, and provision of endorsements / guarantees to the party in Mainland China.

C) Holding of marketable securities at the end of the period:

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	March 31, 2013				
				Number of shares	Book value	Percentage	Market value (Note 2)	Note
The Company	Gamania Holdings Ltd. – Stock	Subsidiary	Investment accounted for under the equity method	34,071	$ 540,826	100	$ 540,826	Note 6,8
〃	Gamania Korea Co., Ltd. – Stock	〃	〃	754	15,521	100	15,521	Note 6,8
〃	Fantasy Fish Digital Games Co., Ltd. – Stock	〃	〃	1,340	11,414	99.75	11,414	Note 6,8
〃	Gameastor Digital Entertainment Co., Ltd. – Stock	〃	〃	3,863	133,093	72.08	133,093	Note 6,8
〃	Gamania Asia Investment Co., Ltd. – Stock	〃	〃	6,500	72,866	100	72,866	Note 6,8
〃	Gamania Digital Entertainment Labuan Holdings, Ltd.- Stock	〃	〃	1,330	1,927	100	1,927	Note 6,8
〃	Fundation Digital Entertainment Co., Ltd. – Stock	〃	〃	5,330	17,375	100	17,375	Note 6,8
〃	Playcoo Co. – Stock	〃	〃	14,396	42,138	77.40	42,138	Note 6,8
〃	Redgate Games Co., Ltd. – Stock	〃	〃	24,200	4,250	100	4,250	Note 6,8
〃	Seedo Games Co., Ltd. – Stock	〃	〃	16,200	8,656	100	8,656	Note 6,8
〃	Two Tigers Co., Ltd. – Stock	〃	〃	627	6,289	51	6,289	Note 6,8
〃	Gash Plus (Taiwan) Company Limited – Stock	〃	〃	5,000	62,832	100	62,832	Note 6,8
〃	Global Pursuit (U.S.) Co., Ltd. – Stock	〃	〃	3,000	20,344	80	20,344	Note 6,8
〃	RitwNow Inc. – Stock	〃	〃	1,530	13,625	51	13,625	Note 6,8
〃	Machi Pictures Co., Ltd. – Stock	Investee company accounted for under the equity method	〃	2,000	18,552	33.33	18,552	Note 6
〃	Taiwan e-sports Co., Ltd. – Stock	〃	〃	4,680	6,269	40.70	6,269	Note 6
〃	NC Taiwan Co., Ltd. – Stock	Investee company accounted for under available-for-sale	Available-for-sale financial assets - non-current	2,100	22,841	15	38,311	Note 6
〃	Gamemag Interactive Inc. - Stock	Investee company accounted for under available-for-sale	Available-for-sale financial assets - non-current	460	24,058	5	24,058	Note 6

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	March 31, 2013				
				Number of shares	Book value	Percentage	Market value (Note 2)	Note
The Company	Franklin Temp SinoAm Agrsv Ret Bd Acc	None	Financial assets at fair value through profit or loss -current	315	$ 3,500	Note 7	$ 3,500	Note 6
〃	JP Morgan (Taiwan) Asia Hi Yld. Ttl Rt Bd	None	〃	296	3,500	Note 7	3,500	Note 6
Gamania Holdings Ltd.	Gamania International Holdings Ltd.-Stock	Subsidiary	Investment accounted for under the equity method	64,381	17,322	100	7,408	Note 4,8
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited - Stock	〃	〃	1,600	708	100	3,427	Note 4,8
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.- Stock	〃	〃	22	3,427	100	7,868	Note 4,8
Gamania International Holdings Ltd.	Gamania China Holdings Ltd. - Stock	〃	〃	40,884	7,868	98.82	7,911	Note 4,8
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd. - Stock	〃	〃	8,670	2,591	100	2,591	Note 4,8
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A. - Stock	〃	〃	-	791	100	791	Note 4,8
Gamania International Holdings Ltd.	Firedog Studio Company Limited	〃	〃	30,027	160	100	160	Note 4,8
Gamania International Holdings Ltd.	Gash Plus (Hong Kong) Company Limited - Stock	〃	〃	750	1,081	100	1,081	Note 4,8
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.- Stock	〃	〃	38,720	(357)	100	(357)	Note 4,8
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.- Stock	〃	〃	35,500	7,838	100	7,838	Note 4,8
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd. - Stock	〃	〃	-	(598)	100	(598)	Note 4,8
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd. - Stock	〃	〃	1	2,581	100	2,581	Note 4,8

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	March 31, 2013				
				Number of shares	Book value	Percentage	Market value (Note 2)	Note
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V. - Stock	Subsidiary	Investment accounted for under the equity method	-	$ 617	100	$ 617	Note 5,8
Gash Plus (Taiwan) Company Ltd.	Jsdway Digital Technology Co., Ltd. - Stock	Subsidiary	Investment accounted for under the equity method	5,000	44,258	33.33	44,258	Note 6,8
Global Pursuit (U.S.) Co., Ltd.	Global Pursuit North America Co., Ltd. - Stock	Subsidiary	Investment accounted for under the equity method	1,100	20,679	100	20,679	Note 6,8
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd. - Stock	Investment accounted for under the equity method	Investment accounted for under the equity method	1,458	49,959	27.20	49,959	Note 6,8
Gamania Asia Investment Co., Ltd.	Compass Systems Corp. - Stock	None	Available-for-sale financial assets - non-current	1,000	794	3.33	794	Note 6
Gamania Asia Investment Co., Ltd.	Iwan Interactive Entertainment Co., Ltd. - Stock	None	Financial assets at fair value through profit or loss - current	285	2,850	14.96	4,625	Note 6
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd. - Stock	Subsidiary	Investment accounted for under the equity method	2,775	23,030	100	23,030	Note 6,8
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd. - Stock	Subsidiary	Investment accounted for under the equity method	700	3,042	70.00	3,042	Note 6,8
Jsdway Digital Technology Co., Ltd.	Moqizone Holding Corporation-Stock	Prepaid long-term equity investment	Other non-current assets	-	6,000	-	6,000	Note 6
Jsdway Digital Technology Co., Ltd.	Jsdway(M) Sdn. Bhd. - Stock	Prepaid long-term equity investment	Other non-current assets	-	585	-	585	Note 6
Jsdway Digital Technology Co., Ltd.	Yeck Entertainment Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	340	4,080	10.16	4,080	Note 6
Precious Power Digital Technology Co., Ltd.	Everpeace International Limited - Stock	None	Available-for-sale financial assets - non-current	-	2,000	-	2,000	Note 6

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	March 31, 2013 Number of shares	Book value	Percentage	Market value (Note 2)	Note
Jsdway Digital Technology Co., Ltd.	International Games System Co., Ltd. - Stock	None	Financial assets at fair value through profit or loss -current	28	$ 2,542	Note 7	$ 2,542	Note 6
Jsdway Digital Technology Co., Ltd.	Franklin Templeton SinoAm Return Born Fund of Funds	None	Financial assets at fair value through profit or loss -current	90	1,000	Note 7	1,000	Note 6
Jsdway Digital Technology Co., Ltd.	Taishin Asia-Australia High Yield Bond Fund - Accumulated	None	Financial assets at fair value through profit or loss -current	93	999	Note 7	999	Note 6
Jsdway Digital Technology Co., Ltd.	Yuanta As Pac (ex-Jap) Inr Gr Gv Bd	None	Financial assets at fair value through profit or loss -current	200	2,000	Note 7	2,000	Note 6

Note 1：Marketable securities consist of stocks, bonds, beneficiary certificates and other derivative instruments.

Note 2：a) The market value of listed equity securities and closed-end mutual funds is determined based on closing price and net asset value of funds, respectively, at the balance sheet date.
b) The market value of open-end mutual funds is determined based on the net asset par value at the balance sheet date.

Note 3：Unit: Thousand stocks

Note 4：Currency: USD

Note 5：Currency: EUR

Note 6：Currency: NTD

Note 7：Less than 1%。

Note 8：The transaction has been eliminated in the consolidated financial statements.

D) Aggregate purchases or slaes of the same securities reaching $100,000 or 20% of paid-in capital or more :None.

E) Acquisition of real estate reaching $100,000 or 20% of paid-in capital or more: None.

F) Disposal of real estate reaching $100,000 or 20% of paid-in capital or more: None.

G) Purchases or sales of goods from or to related parties reaching $100,000 or 20% of paid-in capital or more:

Purchaser /Seller	Name of transaction parties	Relationship	Transaction terms				Description of and reasons for difference in transaction terms compared to non-related party transactions		Accounts or notes receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit period	Balance	Percentage of total accounts or notes receivable (payable)	
The Company	Gash Plus (Taiwan) Company Limited	Subsidiary	Sales	$ 895,176	99%	Note 1	Note 1	Note 1	$ 932,885	92%	Note 4
〃	Nexon Korea Corporation	Associates	License fees	198,455	46%	Note 2	Note 2	Note 2	58,855	57%	
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Subsidiary	Sales	513,394	34%	Note 1	Note 1	Note 1	402,604	29%	Note 3
Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	Parent Company	Cost of goods sold	126,871	33%	Note 3	Note 3	Note 3	127,216	45%	Note 4

Note 1: The above represents sales based on merchandise, competitive market and trading situation. There is no similar transaction to compare with.

Note 2: The above represents payments for license fees and are negotiated based on different factors.

Note 3: The above represents payments for point valued cost and are negotiated based on different factors.

Note 4: The transaction had been eliminated in the consolidated financial statements.

H) Receivables from related parties reaching of $100,000 or 20% of paid-in capital or more:

Name of creditor	Transaction parties	Relationship	Balance of receivables from related parties (in thousands)	Turnover rate	Overdue receivables		Subsequent collections (in thousands) (Note 1)	Allowance for doubtful accounts provided	Note
					Amount	Action adopted for overdue accounts			
The Company	Gash Plus (Taiwan) Company Limited	Subsidiary	$ 957,582	4.88	$ -	-	$ 224,594	$ 23,175	Note 3
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Subsidiary	402,604	5.86	-	-	268,246	-	Note 3
Gameastor Digital Entertainment Co., Ltd.	The Company	Parent Company	197,717	-	-	-	123,416	-	Note 2,3
Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	Subsidiary	127,216	4.42	-	-	38,652	-	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to May 9, 2013.

Note 2: The nature of the balance is receipts under custody and advertising revenue.

Note 3: The investment has been eliminated in the consolidated financial statements.

I) Derivative financial instruments undertakem during the three-month period ended March 31, 2013: None.

J) Significant inter-company transactions during the three-month period ended March 31, 2013:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 5)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Gameastor Digital Entertainment Co., Ltd.	1	Other payables	197,717	Note4	4%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Sales	895,176	Note4	43%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Accounts receivable	932,885	Note4	20%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Other receivables	24,697	Note4	1%
0	The Company	Gamania Digital Entertainment Labuan Holdings, Ltd.	1	Royalties	12,892	Note4	-%
0	The Company	Gamania Asia Investment Co., Ltd.	1	Other receivables	56,654	Note4	1%
0	The Company	Gamania Digital Entertainment (Beijing) Co., Ltd.	1	Other payables	11,574	Note4	-%
0	The Company	Gamania Digital Entertainment (Europe) B.V.	1	Other payables	23,524	Note4	-%
1	Gash Plus (Taiwan) Company Limited	Gameastor Digital Entertainment Co., Ltd.	3	Cost of goods sold	19,448	Note4	1%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Notes receivable	49,194	Note4	1%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Accounts payable	25,766	Note4	1%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Accounts receivable	353,410	Note4	7%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Other receivables	10,633	Note4	-%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Sales	513,394	Note4	25%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Sales	12,319	Note4	1%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Cost of goods sold	71,715	Note4	3%
2	Playcoo Co.	Gamania Digital Entertainment (Europe) B.V.	3	Accounts receivable	10,063	Note4	-%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Accounts receivable	127,216	Note4	3%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Other receivables	23,062	Note4	-%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Accrued expenses	20,523	Note4	-%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Accounts payable	50,484	Note4	1%
4	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Cost of goods sold	126,871	Note4	6%

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:

(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.

Note4：There is no similar transaction to compare with. It will follow the agreed price and transaction terms.

Note5：The disclosure standard reaches above $10,000 for the transaction amount.

(2) Information on investees

The disclosure information of certain investee companies was based on their unreviewed financial statements.

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.3.31	2012.12.31	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	$ 2,131,661	$ 2,111,379	34,071	100	$ 540,826	($ 25,050)	($ 25,050)	Note 5
〃	Gamania Korea Co., Ltd.	Seoul, Korea	Design and sales of software	339,270	339,270	754	100	15,521	(3,110)	(3,110)	Note 5
〃	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Design and research and development of software	330,000	330,000	1,340	99.75	11,414	(492)	(491)	Note 5
〃	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services	211,433	211,433	3,863	72.08	133,093	(1,075)	(775)	Notes 1, 5
〃	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	115,549	115,549	6,500	100	72,866	(118)	(118)	Note 5
〃	Gamania Digital Entertainment Labuan Holdings, Ltd.	Malaysia	Investment holdings	38,994	38,994	1,330	100	1,927	-	-	Note 5
〃	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	210,000	210,000	5,330	100	17,375	(5,685)	(5,685)	Note 5
〃	Playcoo Co.	Taiwan	Design and research and development of software	153,914	153,914	14,396	77.40	42,138	(19,919)	(15,417)	Note 5

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.3.31	2012.12.31	Number of shares	Percentage	Book value			
The Company	Redgate Games Co. Ltd.	Taiwan	Design and research and development of software	$ 242,000	$ 222,000	24,200	100	$ 4,250	($ 19,961)	($ 19,961)	Note 5
〃	Seedo Games Co. Ltd.	Taiwan	Design and research and development of software	162,000	162,000	16,200	100	8,656	(475)	(475)	Note 5
〃	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	627	51	6,289	692	353	Note 5
〃	Gash Plus (Taiwan) Company Limited	Taiwan	Software information and supply of electronic services	50,000	50,000	5,000	100	62,832	8,999	8,999	Note 5
〃	Global Pursuit (U.S.) Co., Ltd.	Taiwan	Software information and supply of electronic services	30,000	30,000	3,000	80	20,344	(5,501)	(4,401)	Note 5
〃	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	20,000	20,000	2,000	33.33	18,552	(587)	(196)	
〃	RitwNow Inc.	Taiwan	Supply of software services and electronic information	15,300	15,300	1,530	51	13,625	(446)	(227)	Note 5
〃	Taiwan e-sports Co., Ltd.	Taiwan	Software services and sales	46,800	46,800	4,680	40.70	6,269	(3,239)	(1,318)	
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services	80,625	80,625	1,458	27.20	49,959	(1,075)	(292)	Note 5
Global Pursuit (U.S.) Co., Ltd.	Global Pursuit North America Co., Ltd.	U.S.A.	Software information and supply of electronic services	32,665	23,966	1,100	100	20,679	(5,422)	(5,422)	Note 5

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.3.31	2012.12.31	Number of shares	Percentage	Book value			
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	$ 50,000	$ 50,000	5,000	33.33	$ 44,258	$ 6,825	$ 2,275	Note 5
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Taiwan	Software services and sales	34,590	34,590	2,775	100	23,030	(2,263)	(2,263)	Note 5
〃	Precious Power Digital Technology Co., Ltd.	Taiwan	Software services and sales	7,000	7,000	700	70	3,042	(308)	(216)	Note 5
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	64,381	63,681	64,381	100	17,322	(859)	(859)	Notes 3, 5
〃	Gamania R&D (HK) Holdings Limited	Hong Kong	Investment holdings	1,600	1,600	1,600	100	708	16	16	Notes 3, 5
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Japan	Software services and sales	19,856	19,856	22	100	3,427	(881)	(881)	Notes 3, 5
〃	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	40,884	39,884	40,884	98.82	7,868	(395)	(391)	Notes 2, 5
〃	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	8,670	8,670	8,670	100	2,591	(225)	(225)	Notes 3, 5
〃	Gamania Netherlands Holdings Cooperatief U.A.	Amsterdam	Investment holdings	5,884	5,884	-	100	791	(312)	(312)	Notes 3, 5
〃	Firedog Studio Company Limited	Hong Kong	Design and research and develompent of software	3,950	3,850	30,027	100	160	(342)	(342)	Notes 3, 5

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.3.31	2012.12.31	Number of shares	Percentage	Book value			
Gamania International Holdings Ltd.	Gash Plus (Hong Kong) Company Limited	Hong Kong	Software information and supply of electronic services	$ 97	$ 97	750	100	$ 1,081	$ 514	$ 514	Notes 3, 5
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	38,720	37,720	38,720	100	(357)	(459)	(459)	Notes 3, 5
〃	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Design and sales of software	3,009	3,009	35,500	100	7,838	855	855	Notes 3, 5
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	China	Design and sales of software	34,500	33,500	-	100	(598)	(451)	(451)	Notes 3, 5
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Design and sales of software	8,630	8,630	1	100	2,581	(225)	(225)	Notes 3, 5
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Amsterdam	Design and sales of software	4,500	4,500	-	100	617	(236)	(236)	Notes 4, 5

Note 1：Including write-off of realized (unrealized) sales margin of $1,394.

Note 2：The weighted-average ownership percentage is 98.80%.

Note 3：Currency: USD

Note 4：Currency: EUR

Note 5：The investment had been eliminated in the consolidated financial statements.

(3) INFORMATION ON INVESTMENTS IN MAINLAND CHINA

Name of investee in Mainland China	Main activities	Capital (Note 3)	Investment method	Accumulated investment from Taiwan as of January 1, 2013 (Note 4)	Remitted or received investment amount during the period		Accumulated investment from Taiwan as of March 31, 2013 (Note 5)	Direct and indirect percentage of ownership	Investment loss recognized during the period (Note 2)	Balance of investment on March 31, 2013 (Note6)	Accumulated investment income received as of March 31, 2013
					Remitted	Received					
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	$1,030,688	Investment through a holding company registered in a country other than Taiwan and Mainland China	$ 742,991	$ 29,875	$ -	$ 772,866	98.82%	($ 13,327)	($ 17,865)	$ -
MoNoKos Studio Technology Co., Ltd.	Research and development of software	44,813	Investment through a holding company registered in a country other than Taiwan and Mainland China	44,813	-	-	44,813	Note 7	-	-	-

Company	Accumulated amount of investment in Mainland China as of March 31, 2013	Related investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Upper limit of investment in Mainland China
Gamania Digital Entertainment (Beijing) Co., Ltd.	$ 772,866	$ 1,104,270	$ 1,500,213
MoNoKos Studio Technology Co., Ltd.	44,813	149,375	

Note 1: Related total investment amount approved by MOEA to invest in Gamania Digital Entertainment (Beijing) Co., Ltd. is USD 36,963 thousand or NTD 1,104,270 thousand based on 29.875 exchange rate. The related total investment amount approved by MOEA to invest in MoNoKos Studio Technology Co., Ltd. is USD 5 million or NTD 149,375 thousand based on 29.875 exchange rate.

Note 2: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the three-month period ended March 31, 2013 was recognized based on the indirect weighted-average ownership percentage of 98.80%, respectively, and on their financial statements for the corresponding period, which were reviewed.

Note 3: Paid-in capital of Company, Gamania Digital Entertainment (Beijing) Co., Ltd. and MoNoKos Studio Technology Co., Ltd. was USD 34,500 thousand and USD 1,500 thousand, respectively.

Note 4: Accumulated investment amount of remittance for Gamania Digital Entertainment (Beijing) Co., Ltd. and MoNoKos Studio Technology Co., Ltd. from Taiwan to Mainland China as of January 1, 2013 was USD 24,870 thousand and USD 1,500 thousand, respectively.

Note 5: Accumulated investment amount of remittance for Gamania Digital Entertainment (Beijing) Co., Ltd. and MoNoKos Studio Technology Co., Ltd. from Taiwan to Mainland China as of March 31, 2013 was USD 25,870 thousand and USD 1,500 thousand, respectively.

Note 6: Balance of investment of Gamania Digital Entertainment (Beijing) Co., Ltd. and MoNoKos Studio Technology Co., Ltd. from Taiwan to Mainland China as of March 31, 2013 was USD (598) thousand and USD 0 thousand, respectively.

Note 7: MoNokos Studio Technology Co., Ltd. is still under liquidation proceedings as at the date of our report. It has not yet received the money.

1.All related transactions between the holding company and its subsidiary in Mainland China and the Company have no significant transactions.

2.The investment had been eliminated in the consolidated financial statements.

14. OPERATING SEGMENT INFORMATION

(1) General information

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

(2) Assessment of segment information

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

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

The segment information on reportable segments provided to the chief operating decision-maker for the three-month periods ended March 31, 2013 and 2012 are as follows:

For the three-month period ended March 31, 2013	Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Others	Total	
Revenue from external customers	$ 903,479	$ 553,861	$ 163,843	$ 34,951	$ 408,271	$2,064,405	
Inter-segment revenue	3,335	959,805	513,394	-	235,320	1,711,854	Note 1
Segment profit (loss)	86,472	8,999	6,825	(1,075)	(20,924)	80,297	
Segment profit (loss) includes：							
Depreciation and amortization	(70,326)	(3,288)	(2,572)	(4,882)	(21,246)	(102,314)	
Income tax expense	(15,662)	(1,267)	(1,929)	(289)	(8,085)	(27,232)	
Investment income (loss) accounted for under the equity method	(65,276)	2,275	(2,479)	-	63,966	(1,514)	Note 2
Segment assets	-	-	-	-	-	-	

For the three-month period ended March 31, 2012	Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Others	Total	
Revenue from external customers	$ 989,101	$ 299,377	$ 158,086	$ 157,722	$ 407,125	$2,011,411	
Inter-segment revenue	948	1,149,855	918,895	16,033	279,326	2,365,057	Note 1
Segment profit (loss)	46,629	15,956	14,047	48,351	(68,884)	56,099	
Segment profit (loss) includes：							
Depreciation and amortization	(69,663)	(1,352)	(1,867)	(12,928)	(25,263)	(111,073)	
Income tax expense	(18,773)	(3,354)	(3,134)	(5,146)	(11,334)	(41,741)	
Investment income (loss) accounted for under the equity method	(90,788)	4,682	(594)	-	83,579	(3,121)	Note 2
Segment assets	-	-	-	-	-	-	

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

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

(4) Reconciliation information of segment profit (loss), assets and liabilities

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

15. INITIAL APPLICATION OF IFRSs

These consolidated financial statements are the first interim consolidated financial statements prepared by the Group in accordance with the IFRSs. The Group has adjusted the amounts as appropriate that are reported in the previous R.O.C. GAAP consolidated financial statements to those amounts that should be presented under IFRSs in the preparation of the opening IFRS balance sheet. Information about exemptions elected by the Group, exceptions to the retrospective application of IFRSs in relation to initial application of IFRSs, and how it affects the Group's financial position, operating results and cash flows in transition from R.O.C. GAAP to the IFRSs is set out below:

(1) Exemptions elected by the Group

A. Business combinations

The Group has elected not to apply the requirements in IFRS 3, 'Business Combinations', retrospectively to business combinations that occurred prior to the date of transition to IFRSs ("the transition date").

B. Share-based payment transactions

The Group has elected not to apply the requirements in IFRS 2, 'Share-based Payment', retrospectively to equity instruments arising from share-based payment transactions prior to the transition date.

C. Employee benefits

The Group has elected to recognise all cumulative actuarial gains and losses relating to all employee benefit plans in 'retained earnings' at the transition date, and to disclose the information of present value of defined benefit obligation, fair value of plan assets, gain or loss on plan assets and experience adjustments under the requirements of paragraph 120A (P), IAS 19, 'Employee Benefits', based on their prospective amounts for financial periods from the transition date.

D. Cumulative translation differences

The Group has elected to reset the cumulative translation differences arising on the translation of the financial statements of foreign operations under R.O.C. GAAP to zero at the transition date, and to deal with translation differences arising subsequent to the transition date in accordance with IAS 21, 'The Effects of Changes in Foreign Exchange Rates'.

E. Designation of previously recognised financial instruments

The Group has elected to designate investments, which were originally measured at cost as 'available-for-sale financial assets' at the transition date.

(2) Except non-controlling interest to which exceptions to the retrospective application of IFRSs specified in IFRS 1 are not applied as they have no relation with the Group, other exceptions to the retrospective application are set out below:

A. Accounting estimates

Accounting estimates made under IFRSs on January 1, 2012 are consistent with those made under R.O.C. GAAP on that day.

B. Derecognition of financial assets and financial liabilities

The derecognition requirements in IAS 39, 'Financial Instruments: Recognition and Measurement' shall be applied prospectively to transactions occurring on or after January 1, 2004.

(3) Requirement to reconcile from R.O.C. GAAP to IFRSs at the time of initial application

IFRS 1 requires that entity should make reconciliation for equity, comprehensive income and cash flows for the comparative periods. The Group's initial application of IFRSs has no significant effect on cash flows from operating activities, investing activities and financing activities. Reconciliation for equity and comprehensive income for the comparative periods as to transition from R.O.C. GAAP to IFRSs is shown below:

A. Reconciliation of significant differences as of January 1, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Assets				
Cash and cash equivalents	$ 2,025,722	$ -	$ 2,025,722	
Financial assets at fair value through profit or loss - current	9,839	-	9,839	
Notes receivable-net	29,099	-	29,099	
Accounts receivable-net	1,060,946	-	1,060,946	
Other receivables	62,147	-	62,147	
Current income tax assets (Note)	9,166	-	9,166	
Inventory	263,476	-	263,476	
Prepayments	100,351	57,243	157,594	(a)
Deferred income tax assets-current	5,184	(5,184)	-	(c)
Other current assets	38,509	-	38,509	
Total current assets	3,604,439	52,059	3,656,498	
Non-current assets				
Financial assets at fair value through profit or loss – non-current	2,850	-	2,850	
Available-for-sale financial assets-non-current	-	162,002	162,002	(b)
Financial assets carried at cost-non-current	124,294	(124,294)	-	(b)
Investments accounted for under equity method	8,216	-	8,216	
Property, plant and equipment	845,909	-	845,909	
Intangible assets	441,169	(721)	440,448	(f)
Deferred income tax assets-non-current	34,199	25,325	59,524	(a)(c) (e)(f)
Other non-current assets	102,726	(9,066)	93,660	(f)
Total non-current assets	1,559,363	53,246	1,612,609	
Total assets	$ 5,163,802	$ 105,305	$ 5,269,107	

Note：In the financial statements prepared under R.O.C. GAAP, this was originally shown as ‘other receivables’ and ‘prepayments’.

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Liabilities				
Short-term loans	$ 92,563	$ -	$ 92,563	
Notes payable	30,006	-	30,006	
Accounts payable	698,235	-	698,235	
Accounts payable-related parties	72,099	-	72,099	
Other payables	692,258	32,304	724,562	(e)
Current income tax liabilities	83,892	-	83,892	
Other current liabilities	434,237	114,487	548,724	(a)
Total current liabilities	2,103,290	146,791	2,250,081	
Non-current liabilities				
Financial liabilities at fair value through profit or loss - non-current	6,653	-	6,653	
Bonds payable	21,558	-	21,558	
Long-term loans	8,562	-	8,562	
Provisions-non-current (Note)	6,131	-	6,131	
Deferred income tax liabilities-non-current	2,229	-	2,229	
Other non-current liabilities	16,413	10,582	26,995	(f)
Total non-current liabilities	61,546	10,582	72,128	
Total liabilities	2,164,836	157,373	2,322,209	
Equity attributable to owners of the parent				
Share capital				
Common stock	1,567,515	-	1,567,515	
Stock subscriptions received in advance	28	-	28	
Capital surplus	856,385	-	856,385	
Retained earnings				
Legal reserve	140,909	-	140,909	
Undistributed earnings	219,813	(60,389)	159,424	
Other equity	27,889	9,819	37,708	(b)(f)(g)
Non-controlling interest	186,427	(1,498)	184,929	(a)(e)(f)
Total equity	2,998,966	(52,068)	2,946,898	
Total liabilities and equity	$ 5,163,802	$ 105,305	$ 5,269,107	

Note：In the financial statements p repared under R.O.C. GAAP, this was originally shown as ‘other non-current liabilities’.

B. Reconciliation of significant differences as of December 31, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Assets				
Cash and cash equivalents	$ 1,348,499	$ -	$ 1,348,499	
Financial assets at fair value through profit or loss - current	9,119	-	9,119	
Notes receivable-net	22,503	-	22,503	
Accounts receivable-net	1,057,884	-	1,057,884	
Other receivables	36,073	-	36,073	
Current income tax assets (Note)	98,619	-	98,619	
Inventory	75,921	-	75,921	
Prepayments	47,265	23,862	71,127	(a)
Deferred income tax assets-current	7,257	(7,257)	-	(c)
Other current assets	44,466	-	44,466	
Total current assets	2,747,606	16,605	2,764,211	
Non-current assets				
Available-for-sale financial assets-non-current	-	66,805	66,805	(b)
Financial assets carried at cost-non-current	51,773	(51,773)	-	(b)
Investments accounted for under equity method	27,433	-	27,433	
Property, plant and equipment	840,771	11,284	852,055	(d)
Intangible assets	361,967	(669)	361,298	(f)
Idle assets	11,284	(11,284)	-	(d)
Deferred income tax assets-non-current	56,970	22,389	79,359	(a)(c)(e)(f)
Other non-current assets	80,291	(8,981)	71,310	(f)
Total non-current assets	1,430,489	27,771	1,458,260	
Total assets	$ 4,178,095	$ 44,376	$ 4,222,471	

Note：In the financial statements prepared under of R.O.C. GAAP, this was originally shown as ‘other receivables’ and ‘prepayments’.

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Liabilities				
Short-term loans	$ 69,070	$ -	$ 69,070	
Financial liabilities at fair value through profit or loss-current	9,616	-	9,616	
Notes payable	28,905	-	28,905	
Accounts payable	715,108	-	715,108	
Accounts payable-related parties	62,027	-	62,027	
Other payables	343,452	30,458	373,910	(e)
Current income tax liabilities	40,549	-	40,549	
Other current liabilities	366,697	47,724	414,421	(a)
Total current liabilities	1,635,424	78,182	1,713,606	
Non-current liabilities				
Bonds payable	44,555	-	44,555	
Long-term loans	22	-	22	
Provisions-non-current (Note)	5,421	-	5,421	
Deferred income tax liabilities-non-current	1,894	-	1,894	
Other non-current liabilities	31,833	18,073	49,906	(f)
Total non-current liabilities	83,725	18,073	101,798	
Total liabilities	1,719,149	96,255	1,815,404	
Equity attributable to owners of the parent				
Share capital				
Common stock	1,568,685	-	1,568,685	
Stock subscriptions received in advance	149	-	149	
Capital surplus	859,547	-	859,547	
Retained earnings				
Legal reserve	159,610	-	159,610	
Accumulated deficit	(283,230)	(38,989)	(322,219)	
Other equity	(18,712)	(11,186)	(29,898)	(b)(f)(g)
Non-controlling interest	172,897	(1,704)	171,193	(a)(e)(f)
Total equity	2,458,946	(51,879)	2,407,067	
Total liabilities and equity	$ 4,178,095	$ 44,376	$ 4,222,471	

Note：In the financial statements prepared under R.O.C. GAAP, this was originally shown as ‘other non-current liabilities’.

C. Reconciliation of significant differences as of March 31, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Assets				
Cash and cash equivalents	$ 1,963,277	$ -	$ 1,963,277	
Financial assets at fair value through profit or loss - current	48,936	-	48,936	
Notes receivable-net	20,166	-	20,166	
Accounts receivable-net	998,596	-	998,596	
Other receivables	71,577	-	71,577	
Current income tax assets (Note)	8,902	-	8,902	
Inventory	130,652	-	130,652	
Prepayments	95,939	57,673	153,612	(a)
Deferred income tax assets-current	5,099	(5,099)	-	(c)
Other current assets	80,733	-	80,733	
Total current assets	3,423,877	52,574	3,476,451	
Non-current assets				
Financial assets at fair value through profit or loss – non-current	2,850	-	2,850	
Available-for-sale financial assets-non-current	-	162,002	162,002	(b)
Financial assets carried at cost-non-current	124,294	(124,294)	-	(b)
Investments accounted for under equity method	11,378	-	11,378	
Property, plant and equipment	841,055	-	841,055	
Intangible assets	439,713	(721)	438,992	(f)
Deferred income tax assets-non-current	37,988	24,641	62,629	(a)(c)(e)(f)
Other non-current assets	103,325	(9,052)	94,273	(f)
Total non-current assets	1,560,603	52,576	1,613,179	
Total assets	$ 4,984,480	$ 105,150	$ 5,089,630	

Note：In the financial statements prepared under R.O.C. GAAP, this was originally shown as ‘other receivables’ and ‘prepayments’.

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Liabilities				
Short-term loans	$ 92,203	$ -	$ 92,203	
Notes payable	19,633	-	19,633	
Accounts payable	603,206	-	603,206	
Accounts payable-related parties	70,012	-	70,012	
Other payables	685,252	31,484	716,736	(e)
Current income tax liabilities	127,352	-	127,352	
Other current liabilities	312,614	115,347	427,961	(a)
Total current liabilities	1,910,272	146,831	2,057,103	
Non-current liabilities				
Financial liabilities at fair value through profit or loss - non-current	6,653	-	6,653	
Bonds payable-non-current	14,375	-	14,375	
Long-term loans	4,882	-	4,882	
Provisions-non-current (Note)	5,643	-	5,643	
Deferred income tax liabilities-non-current	2,174	-	2,174	
Other non-current liabilities	17,139	10,421	27,560	(f)
Total non-current liabilities	50,866	10,421	61,287	
Total liabilities	1,961,138	157,252	2,118,390	
Equity attributable to owners of the parent				
Share capital				
Common stock	1,567,515	-	1,567,515	
Stock subscriptions received in advance	610	-	610	
Capital surplus	857,177	-	857,177	
Retained earnings				
Legal reserve	140,909	-	140,909	
Undistributed earnings	267,623	(60,490)	207,133	
Other equity	(5,731)	9,819	4,088	(b)(f)(g)
Non-controlling interest	195,239	(1,431)	193,808	(a)(e)(f)
Total equity	3,023,342	(52,102)	2,971,240	
Total liabilities and equity	$ 4,984,480	$ 105,150	$ 5,089,630	

Note：In the financial statements prepared under R.O.C. GAAP, this was originally shown as ‘other non-current liabilities’.

D. Reconciliation of significant differences for the year ended December 31, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Operating revenue	$ 7,120,377	$ 66,614	$ 7,186,991	(a)
Operating costs	(4,565,352)	(33,307)	(4,598,659)	(a)
Gross profit	2,555,025	33,307	2,558,332	
Operating expenses				
Selling expenses	(791,973)	-	(791,973)	
General and administrative expenses	(1,327,152)	2,892	(1,324,260)	(e)(f)
Research and development expenses	(625,303)	-	(625,303)	
Operating profit	(189,403)	36,199	(153,204)	
Non-operating income and expenses				
Other income	19,775	-	19,775	
Other gains and losses	(91,003)	-	(91,003)	
Financial costs	(6,436)	-	(6,436)	
Share of (loss)/profit of associates and joint ventures accounted for under equity method	(7,448)	-	(7,448)	
Loss before income tax	(274,515)	36,199	(238,316)	
Income tax expense	(72,806)	(6,709)	(79,515)	(a)(e)(f)
Loss for the period	(347,321)	29,490	(317,831)	
Other comprehensive loss				
Currency translation differences	(15,854)	(29,032)	(44,886)	
Unrealized loss on valuation of available-for-sale financial assets	-	(22,676)	(22,676)	
Total comprehensive loss for the period	($ 363,175)	($ 22,218)	($ 385,393)	

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Loss attributable to:				
Owners of the parent	($ 356,346)	$ 29,490	($ 326,856)	
Non-controlling interest	9,025	-	9,025	
	($ 347,321)	$ 29,490	($ 317,831)	
Total comprehensive loss attributable to:				
Owners of the parent	($ 372,244)	($ 22,218)	($ 394,462)	
Non-controlling interest	9,069	-	9,069	
	($ 363,175)	($ 22,218)	($ 385,393)	

E. Reconciliation of significant differences for the three-month period ended March 31, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Operating revenue	$ 2,012,356	($ 945)	$ 2,011,411	(a)
Operating costs	(1,191,627)	472	(1,191,155)	(a)
Gross profit	820,729	(473)	820,256	
Operating expenses				
Selling expenses	(210,790)	-	(210,790)	
General and administrative expenses	(346,023)	958	(345,065)	(e)(f)
Research and development expenses	(180,254)	-	(180,254)	
Operating profit	83,662	485	84,147	
Non-operating income and expenses				
Other income	20,438	-	20,438	
Other gains and losses	(2,252)	-	(2,252)	
Financial costs	(1,371)	-	(1,371)	
Share of (loss)/profit of associates and joint ventures accounted for under equity method	(3,121)	-	(3,121)	
Profit before income tax	97,356	485	97,841	
Income tax expense	(41,155)	(586)	(41,741)	(a)(e)(f)
Profit for the period	56,201	(101)	56,100	
Other comprehensive income				
Currency translation differences	(4,536)	(29,032)	(33,568)	
Unrealized gain (loss) on valuation of available-for-sale financial assets	-	-	-	
Total comprehensive income for the period	$ 51,665	($ 29,133)	$ 22,532	

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Profit attributable to:				
Owners of the parent	$ 49,343	($ 101)	$ 49,242	
Non-controlling interest	6,857	-	6,857	
	$ 56,200	($ 101)	$ 56,099	
Total comprehensive income attributable to:				
Owners of the parent	$ 44,755	($ 29,133)	$ 15,622	
Non-controlling interest	6,909	-	6,909	
	$ 51,664	($ 29,133)	$ 22,531	

Description of the significant differences identified:

a) The Company is engaged in the sale of on-line game stored-value cards and provision of on-line game services. According to the current accounting standards in R.O.C., the Company recognizes the revenue when the consumers purchase the online game credits, and use the credits to exchange for service for playing their online games and the virtual treasures Once this transaction occurs, the consumed credits are deducted from the players' accounts. However, in accordance with IAS 18, "Revenue", royalty revenue and the related royalty cost should be deferred and amortized.

   Therefore, the Group increased royalty prepayment, received in advance and deferred income tax assets - non-current and decreased non-controlling interest and undistributed earnings at the transition date. The Group also adjusted the revenue from on-line games, on-line game costs and income tax.

b) Before the amendment of "Rules Governing the Preparation of Financial Statements by Securities Issuers", dated July 7, 2011, unlisted and emerging stocks held by the Group should be measured at cost and recognized in "Financial assets carried at cost". However, in accordance with IAS 39, "Financial Instruments: Recognition and Measurement", investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value. Therefore, the Group designated "Financial assets carried at cost" to "Available-for-sale financial assets" and increased other comprehensive income for the difference between fair value and book value at the date of transition to IFRSs.

c) In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or non-current. However, a deferred tax asset or liability that is not related to an asset or liability for financial reporting, should be classified as current or non-current according to the expected period to realize or settle a deferred tax asset or liability. However, under IAS 1, “Presentation of Financial Statements’, an entity should not classify a deferred tax asset or liability as current. Therefore, the Group reclassified deferred income tax assets - current to deferred income tax assets - non-current at the date of transition to IFRSs.

d) In accordance with current accounting standards in R.O.C., the Group's idle assets are presented in ‘Other assets’ account. However, in accordance with IAS 16, ‘Property, Plant and Equipment’, such idle assets that are presented in 'Other assets' account should be classified and accounted for as 'Machinery and equipment' based on its nature.

e) The current accounting standards in R.O.C. do not specify the rules on the cost recognition for accumulated unused compensated absences. The Group recognises such costs as expenses upon actual payment. However, IAS 19, ‘Employee Benefits’, requires that the costs of accumulated unused compensated absences should be accrued as expenses at the end of the reporting period. Therefore, the Group increased accrued expenses and deferred income tax assets - non-current and decreased non-controlling interest and undistributed earnings. The Group also adjusted salary expense and income tax.

f) Accrued pension liabilities

   1) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, “Employee Benefits’, requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan.

   2) The Group selected to recognize all accumulated actuarial gain or loss with respect to the employee benefit plans in retained earnings at the date of transition to IFRSs.

   3) In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, in accordance with IAS 19, “Employee Benefits”, the unrecognized transitional net benefit obligation should not be recognized because it is the Group’s first-time adoption of IFRSs.

   4) In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognized on the balance sheet (“minimum pension liability”). However, IAS 19, “Employee Benefits”, has no regulation regarding the minimum pension liability.

Therefore, the Group increased accrued pension liabilities and deferred income tax assets - non-current and decreased prepaid pension cost, deferred pension costs, unrecognized net loss of pension cost, non-controlling interest and undistributed earnings based on the reasons stated above. The Group also adjusted pension expense and income tax expense.

g) The Group recognized cumulative translation adjustment as zero at the date of transition to IFRSs. Therefore, the Group decreased the cumulative translation adjustments and relatively increased undistributed earnings at the date of transition to IFRSs.

h) In accordance with the Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865 of former Financial Supervisory Commission, Executive Yuan, dated April 6, 2012, a public company, upon the first-time adoption of IFRSs, should set aside special reserve at an amount equal to the sum of unrealized revaluation increment and cumulative translation adjustment (gain) that are reclassified to “Retained earnings” as a result of the adoption of exemptions under IFRS 1; however, if the retained earnings is insufficient to set aside a special reserve for the net increase in retained earnings resulting from the first-time adoption of IFRSs, the special reserve shall be set aside only to the extent of the net increase in retained earnings. The Company’s first-time adoption of IFRSs led to net reduction of retained earnings; therefore, no special reserve was set aside by the Company.

F. Major adjustments for the consolidated statement of cash flows for the three-month period ended March 31, 2012:

a) Under R.O.C. GAAP, payment of interest and receipt of interest and dividend are both included in cash flows from operating activities. However, under IFRSs, payment of interest and receipt of interest and dividend are classified as cash flows from financing activities and from investing activities, respectively, when they are the cost for acquisitions of financial resources or the return on investments.

b) Under R.O.C. GAAP, payment of dividend is included in cash flows from financing activities. However, under IFRSs, when payment of dividend is to help users of financial statements to assess the ability of an entity to pay dividend by using operating cash flows, it is classified as cash flows from operating activities.

c) The transition of R.O.C. GAAP to IFRSs has no effect on the Group’s cash flows reported.

d) The reconciliation between R.O.C. GAAP and IFRSs has no net effect on the Group’s cash flows reported.

G. The accounting policies and selection of exemptions applied in these interim consolidated financial statements may be different from those applied in the first year-end IFRSs consolidated financial statements due to the issuance of related regulations by regulatory authorities, changes in economic environment, or changes in the evaluation of the impact of application of accounting policies and exemptions by the Group.