GAMANIA DIGITAL ENTERTAINMENT CO., LTD.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2014 AND 2013

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-Language

PWCR14003645

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

We have audited the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets (including certain investments accounted for using equity method) of $1,634,427 thousand and $1,148,916 thousand, constituting 31% and 24% of the consolidated total assets as of December 31, 2014 and 2013, respectively, and total operating revenues of $2,968,808 thousand and $2,214,715 thousand, constituting 33% and 27% of the consolidated total operating revenues for the years then ended, respectively, and the related share of (loss) profit of associates and joint ventures accounted for under equity method and share of other comprehensive income of associates and joint ventures accounted for under equity method amounting to $1,101 thousand and $0 thousand, constituting 1% and 0% of the total consolidated comprehensive income for the years then ended, respectively. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these subsidiaries and certain investees' accounted for using the equity method and the information disclosed in Note 13 relative to these subsidiaries and investees, is based solely on the reports of the other independent accountants.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gamania Digital Entertainment Co., Ltd. and subsidiaries as of December 31, 2014 and 2013, and their financial performance and cash flows for the years then ended in conformity with the “Rules Governing the Preparations of Financial Statements by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of Gamania Digital Entertainment Co., Ltd. as of and for the years ended December 31, 2014 and 2013, on which we have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan

March 12, 2015

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2014	December 31, 2013
	Current assets			
1100	Cash and cash equivalents	6(1)	$ 1,272,870	$ 1,607,505
1110	Financial assets at fair value through profit or loss - current	6(2)	-	5,607
1125	Available-for-sale financial assets - current	6(3)	123,563	-
1150	Notes receivable, net		13	10,431
1170	Accounts receivable, net	6(4)	1,551,078	1,519,247
1180	Accounts receivable - related parties, net	7	170,027	-
1200	Other receivables		38,677	16,572
1220	Current income tax assets		61,138	81,598
130X	Inventories	6(5)	56,258	63,086
1410	Prepayments		122,629	94,553
1460	Non-current assets held for sale	6(11)	151,599	-
1470	Other current assets	8	92,083	39,319
11XX	**Total Current Assets**		3,639,935	3,437,918
	Non-current assets			
1523	Available-for-sale financial assets - non-current	6(3)	517,424	58,928
1550	Investments accounted for using equity method	6(6)(10)	126,967	42,141
1600	Property, plant and equipment	6(7) and 8	475,192	694,386
1780	Intangible assets	6(8)(10) and 7	305,326	309,884
1840	Deferred income tax assets	6(28)	132,230	85,789
1900	Other non-current assets	6(9)(17) and 8	40,962	65,878
15XX	**Total Non-current Assets**		1,598,101	1,257,006
1XXX	**Total Assets**		$ 5,238,036	$ 4,694,924

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2014	December 31, 2013
	Current liabilities			
2100	Short-term borrowings	6(12)	$ -	$ 13,559
2150	Notes payable		35	9,846
2170	Accounts payable		1,477,002	1,194,537
2180	Accounts payable - related parties	7	30,101	25,825
2200	Other payables	6(13)	346,023	367,433
2220	Other payables - related parties	7	16,984	2,799
2230	Current income tax liabilities		7,219	44,074
2260	Liabilities included in disposal groups classified as held for sale	6(11)	41,670	-
2300	Other current liabilities	6(14)(15)(16)	710,998	524,526
21XX	**Total Current Liabilities**		2,630,032	2,182,599
	Non-current liabilities			
2530	Bonds payable	6(15)	-	21,112
2570	Deferred income tax liabilities	6(28)	7,717	1,576
2600	Other non-current liabilities	6(6)(17)	2,025	28,921
25XX	**Total Non-current Liabilities**		9,742	51,609
2XXX	**Total Liabilities**		2,639,774	2,234,208
	Equity attributable to owners of parent			
	Share capital			
3110	Share capital - common stock	6(19)	1,575,936	1,573,117
3140	Stock subscriptions received in advance	6(18)	-	2,819
	Capital surplus	6(20)		
3200	Capital surplus		667,534	747,176
	Retained earnings	6(21)		
3310	Legal reserve		3,856	-
3320	Special reserve		34,703	-
3350	Unappropriated retained earnings		90,291	38,559
	Other equity interest			
3400	Other equity interest		34,898	(46,131)
31XX	**Equity attributable to owners of the parent**		2,407,218	2,315,540
36XX	**Non-controlling interest**		191,044	145,176
3XXX	**Total Equity**		2,598,262	2,460,716
	Significant contingent liabilities and unrecorded contract commitments	9		
	Significant events after the balance sheet date	11		
	Total Liabilities and Equity		$ 5,238,036	$ 4,694,924

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 12, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

	Items	Notes	Years ended December 31, 2014	2013
4000	**Operating revenue**	6(22) and 7	$ 9,069,856	$ 8,237,727
5000	**Operating costs**	6(26)(27) and 7	(7,479,457)	(6,256,255)
5950	**Gross profit**		1,590,399	1,981,472
	Operating expenses	6(26)(27) and 7		
6100	Selling expenses		(476,741)	(430,540)
6200	General and administrative expenses		(794,661)	(1,059,271)
6300	Research and development expenses		(205,264)	(319,288)
6000	**Total operating expenses**		(1,476,666)	(1,809,099)
6900	**Operating income**		113,733	172,373
	Non-operating income and expenses			
7010	Other income	6(23) and 7	40,025	74,379
7020	Other gains and losses	6(2)(3)(6)(10)(24)	(51,916)	(98,185)
7050	Finance costs	6(25)	(1,578)	(3,099)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(6)	(1,831)	(29,737)
7000	**Total non-operating income and expenses**		(15,300)	(56,642)
7900	**Profit before tax**		98,433	115,731
7950	Income tax	6(28)	5,565	(59,405)
8200	**Profit for the year**		$ 103,998	$ 56,326
	Other comprehensive income			
8310	Financial statements translation differences of foreign operations		$ 22,684	(3,123)
8325	Unrealized gain (loss) on valuation of available-for-sale financial assets	6(3)	58,348	(12,965)
8360	Actuarial gain on value of funded obligations	6(27)	3,787	12,080
8399	Income tax relating to the components of other comprchensive income (loss)	6(28)	(644)	(2,054)
8300	**Other comprehensive income (loss), net**		$ 84,175	($ 6,062)
8500	**Total comprehensive income for the year**		$ 188,173	$ 50,264
	Profit (loss) attributable to:			
8610	Owners of parent		$ 93,265	73,921
8620	Non-controlling interests		10,733	(17,595)
			$ 103,998	$ 56,326
	Comprehensive income (loss) attributable to:			
8710	Owners of parent		$ 177,437	67,522
8720	Non-controlling interests		10,736	(17,258)
			$ 188,173	$ 50,264
	Earnings per share (in dollars)	6(29)		
9750	**Basic earnings per share**		$ 0.59	$ 0.47
9850	**Diluted earnings per share**		$ 0.59	$ 0.47

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 12, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

		Equity attributable to owners of the parent												
		Share capital		Capital surplus			Retained earnings			Other equity interest				
	Notes	Share capital-common stock	Stock subscriptions received in advance	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total
2013														
Balance at January 1, 2013		$ 1,568,685	$ 149	$ 833,643	$ 24,234	$ 1,670	$ 159,610	$ -	($ 322,219)	($ 44,930)	$ 15,032	$2,235,874	$171,193	$2,407,067
Share-based payment transactions	6(18)	4,283	2,819	9,234	-	-	-	-	-	-	-	16,336	-	16,336
Capital collected in advance transferred to common stock		149	(149)	-	-	-	-	-	-	-	-	-	-	-
Deficit compensation for 2012:	6(21)													
Deficit covered by capital surplus		-	-	(123,619)	-	-	-	-	123,619	-	-	-	-	-
Deficit covered by legal reserve	6(21)	-	-	-	-	-	(159,610)	-	159,610	-	-	-	-	-
Profit (loss) for the year		-	-	-	-	-	-	-	73,921	-	-	73,921	(17,595)	56,326
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	9,834	(3,268)	(12,965)	(6,399)	337	(6,062)
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	1,877	-	-	-	-	-	1,877	-	1,877
Changes in ownership interests in subsidiaries		-	-	-	-	137	-	-	(6,206)	-	-	(6,069)	-	(6,069)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(8,759)	(8,759)
Balance at December 31, 2013		$ 1,573,117	$ 2,819	$ 719,258	$ 24,234	$ 3,684	$ -	$ -	$ 38,559	($ 48,198)	$ 2,067	$2,315,540	$145,176	$2,460,716
2014														
Balance at January 1, 2014		$ 1,573,117	$ 2,819	$ 719,258	$ 24,234	$ 3,684	$ -	$ -	$ 38,559	(48,198)	$ 2,067	$2,315,540	$145,176	$2,460,716
Capital collected in advance transferred to common stock	6(18)	2,819	(2,819)	-	-	-	-	-	-	-	-	-	-	-
Distribution of 2013 earnings:	6(21)													
Legal reserve		-	-	-	-	-	3,856	-	(3,856)	-	-	-	-	-
Special reserve		-	-	-	-	-	-	34,703	(34,703)	-	-	-	-	-
Distribution of cash dividends from capital surplus	6(20)	-	-	(78,797)	-	-	-	-	-	-	-	(78,797)	-	(78,797)
Profit (loss) for the year		-	-	-	-	-	-	-	93,265	-	-	93,265	10,733	103,998
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	3,143	22,681	58,348	84,172	3	84,175
Changes in ownership interests in subsidiaries		-	-	-	-	783	-	-	(6,117)	-	-	(5,334)	-	(5,334)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	-	(1,628)	-	-	-	-	-	(1,628)	-	(1,628)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	35,132	35,132
Balance at December 31, 2014		$ 1,575,936	$ -	$ 640,461	$ 24,234	$ 2,839	$ 3,856	$ 34,703	$ 90,291	($ 25,517)	$ 60,415	$2,407,218	$191,044	$2,598,262

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 12, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 98,433	$ 115,731
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Loss (gain) on financial assets or liabilities at fair value through profit or loss	6(24)	768	(6,097)
Provision for doubtful accounts	6(4)	21,895	36,440
Share of loss of associates accounted for using equity method		1,831	29,737
Depreciation	6(7)(26)	184,353	201,377
Loss on disposal of property, plant and equipment	6(24)	6,801	3,206
Amortization	6(8)(26)	171,744	173,524
Loss (gain) on disposal of intangible assets	6(24)	4,187	(9,457)
Intangible assets transferred to other loss		434	11,778
Gain on disposal of investments	6(24)	(57,577)	(2,093)
Impairment loss on non-financial assets	6(24)	67,352	89,640
Dividend income	6(23)	(800)	-
Interest expense	6(23)	(4,490)	(4,502)
Interest income	6(25)	1,578	3,099
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets held for trading		-	3,983
Notes receivable		10,431	12,088
Accounts receivable		(158,648)	(495,528)
Accounts receivables-related parties		(169,856)	-
Other receivables		(26,077)	19,491
Inventories		(91,617)	14,627
Prepayments		(44,944)	(15,784)
Other current assets		(32,011)	35,147
Other non-current assets		(15,333)	-
Net changes in liabilities relating to operating activities			
Financial assets held for trading		-	(3,990)
Notes payable		286	(19,059)
Accounts payable		403,210	479,429
Accounts payable - related parties		4,276	(36,202)
Other payables		53,489	(15,493)
Other payables - related parties		14,185	(876)
Other current liabilities		205,435	116,051
Other non-current liabilities		2,871	(12,910)
Cash generated from operations		652,206	723,357
Interest paid		(1,578)	(3,099)
Income tax paid		(51,130)	(47,621)
Interest received		4,490	4,502
Dividend received		800	-
Net cash provided by operating activities		604,788	677,139

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for under equity method		($ 30,000)	($ 32,079)
Acquisition of available-for-sale financial assets		(424,320)	(3,088)
Proceeds from disposal of available-for-sale financial assets		10,800	-
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(31)	107,724	(12)
Disposal of subsidiaries (including transfer of cash of held-for-trading subsidiary)	6(11)(32)	(184,456)	(15,708)
Acquisition of property, plant and equipment	6(32)	(117,618)	(31,793)
Proceeds from disposal of property, plant and equipment		6,226	14,188
Acquisition of intangible assets	6(32)	(248,721)	(262,621)
Proceeds from disposal of intangible assets	6(32)	10,170	15,899
Increase in other financial assets		(30,000)	(30,000)
Decrease in other non-current assets		20,398	446
Net cash used in investing activities		(879,797)	(344,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings		(13,559)	(55,511)
Decrease in other non-current liabilities		(3,026)	(8,057)
Repayment of bonds payable		(21,112)	(26,473)
Repayment of long-term debt		-	(7,520)
Distribution of cash dividends		(78,797)	-
Exercise of employee share options		-	16,336
Net cash used in financing activities		(116,494)	(81,225)
Effect of exchange rate changes on cash and cash equivalents		56,868	7,860
(Decrease) increase in cash and cash equivalents		(334,635)	259,006
Cash and cash equivalents at beginning of year		1,607,505	1,348,499
Cash and cash equivalents at end of year		$ 1,272,870	$ 1,607,505

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 12, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

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 authorized for issuance by the Board of Directors on March 12, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATION

(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")

None.

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments' but including the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" effective January 1, 2015) as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" effective January 1, 2015 (collectively referred herein as the "2013 version of IFRSs") in preparing the consolidated financial statements. The related new standards, interpretations and amendments are listed below:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures－Transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures－Offsetting financial assets and financial liabilities (amendment to IFRS 7)	January 1, 2013
IFRS 10, ‘Consolidated financial statements’	January 1, 2013 (Investment entities: January 1, 2014)
IFRS 11, ‘Joint arrangements’	January 1, 2013
IFRS 12, ‘Disclosure of interests in other entities’	January 1, 2013
IFRS 13, ‘Fair value measurement’	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendment to IAS 12)	January 1, 2012
IAS 19 (revised), ‘Employee benefits’	January 1, 2013
IAS 27, ‘Separate financial statements’ (as amended in 2011)	January 1, 2013
IAS 28, ‘Investments in associates and joint ventures’ (as amended in 2011)	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, ‘Stripping costs in the production phase of a surface mine’	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009－2011	January 1, 2013

Based on the Group’s assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except the following:

A. IAS 19 (revised), ‘Employee benefits’

Additional disclosures are required to present how defined benefit plans may affect the amount, timing and uncertainty of the entity’s future cash flows.

B. IAS 1, ‘Presentation of financial statements’

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, ‘Disclosure of interests in other entities’

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, ‘Fair value measurement’

The standard defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements. Based on the Group’s assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, ‘Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, ‘Revenue from contracts with customers'	January 1, 2017
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations 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

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

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

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

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

c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its 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 unrealized gains or losses on transactions between companies within the Group are eliminated.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2014	Ownership (%) December 31, 2013	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment holdings	100	100	
Gamania Holdings Ltd. (GH)	Gamania R&D (HK) Holdings Limited	Investment holdings	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania Digital Entertainment (Japan) Co., Ltd. (GJP)	Design and sales of software; sales of hardware	-	100	Note 1
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment holdings	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Gamania Western Holdings Ltd.	Investment holdings	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	100	
Gamania International Holdings Ltd. (GIH)	Joymobee Entertainment Co., Ltd.	Design and research and development of software	100	100	
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment holdings	51	-	Note 2
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2014	Ownership (%) December 31, 2013	Description
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 research and development of software	100	100	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Information and supply of electronic services	100	100	Note 2
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment holdings	100	100	Note 2
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd	Information and supply of electronic services	100	100	Note 2
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Information and supply of electronic services	100	100	Note 2
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	72.08	72.08	Note 3
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	100	
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	27.20	27.20	Note 3
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Software services and sales	100	70	Note 4
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.	Software services and sales	40	70	Note 4
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	Note 5

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2014	Ownership (%) December 31, 2013	Description
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.	Software services and sales	100	100	
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	-	80.50	Note 6
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	
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd.	Customer service	100	100	Note 7
Gamania Digital Entertainment Co., Ltd.	Ritw Now Inc.	E-sports and internet live broadcasting services	51	51	Note 5
Gamania Digital Entertainment Co., Ltd.	Global Pursuit Co., Ltd.	Software information and supply of electronic services	100	80	
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd.	Software information and supply of electronic services	70	-	Note 8
Gamania Digital Entertainment Co., Ltd.	MadSugr Digital Technology Co., Ltd.	Software services and sales	51	-	Note 8
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd.	Online media producing	55	-	Note 8
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	35.04	33.33	Note 9
Gash Plus (Taiwan)	Punch Technologies	Software services	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2014	Ownership (%) December 31, 2013	Description
Company Limited	Co., Ltd.	and sales			
Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	Software information and supply of electronic services	100	100	
Gash Plus (Taiwan) Company Limited	Gash Plus (Japan) Co., Ltd.	Software information and supply of electronic services	100	100	
Gash Plus (Taiwan) Company Limited	Gash Plus Korea Co., Ltd.	Design and sales of software	100	100	
Gash Plus (Taiwan) Company Limited	GASH Pay Co., Ltd.	Third-Party Payment	100	-	Note 8
Gash Plus (Taiwan) Company Limited	GASH Media Digital Marketing Co., Ltd.	Media purchase	80	-	Note 8
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	100	100	Notes 9 and 10
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	70	Note 9
Jsdway Digital Technology Co., Ltd.	Jsdway (M) Sdn. Bhd.	Information and supply of electronic services	60	60	Note 9
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	IP commodities authorization	-	100	Note 11

Note 1: GIH has sold all share capital of GJP to Aeria Inc. on December 24, 2014, acquired 7% share capital of Aeria Inc. and lost control over GJP. Thus, the Group has excluded GJP in the consolidation. Gain or loss arising from loss of control is disclosed in Note 6(3) B.

Note 2: GIH acquired 51% share capital of AMI on December 29, 2014 and AMI and its subsidiaries were included in the consolidated entities effective on that date.

Note 3: As resolved by the shareholders on August 1, 2014, Gameastor Digital Entertainment Co., Ltd. has began its liquidation. As of December 31, 2014, the liquidation has not yet been completed. Thus, the Company still has control and included Gameastor Digital Entertainment Co., Ltd. in the consolidated entities.

Note 4: Gamania Asia Investment Co., Ltd. has swapped 30% of share capital of UniCube Co., Ltd. with 30% of share capital of Mimigigi Digital Technology Co., Ltd. on December 30, 2014. As the fair values of both share capital were approximately the same on the transaction date, no gain (loss) on disposal arose. After the swap, Gamania Asia Investment Co., Ltd. holds 40% of capital share of UniCube Co., Ltd. and lost control. Therefore, UniCube Co., Ltd. was deconsolidated from December 30, 2014.

Note 5: The liquidation of RitwNow Inc. was resolved by the Company's Board of Directors on October 2, 2014. However, as of December 31, 2014, the liquidation has not yet been completed. Thus, the Company still has control and included RitwNow Inc. in the consolidated entities.

Note 6: The Company has disposed all share capital of Playcoo Co. on November 5, 2014 and no longer has control. Therefore, the Company deconsolidated Playcoo Co., from November 5, 2014.

Note 7: Formerly known as Answer Co., Ltd., it was registered on December 17, 2013, and renamed on February 17, 2014.

Note 8: An investee company newly incorporated in 2014.

Note 9: Jsdway Digital Technology Co., Ltd. was included in the consolidated entities as Gash Plus (Taiwan) Co., Ltd. held more than half seats of the Board of Directors of Jsdway Digital Technology Co., Ltd. After the reelection on October 7, 2014, Gash Plus (Taiwan) Co., Ltd.'s seats in the Board of Directors were less than half and Gash Plus (Taiwan) Co., Ltd. has lost control. Therefore, Jsdway Digital Technology Co., Ltd. and its subsidiaries were deconsolidated from October 7, 2014. Gain or loss arising from loss of control is disclosed in Note 6(6) E.

Note 10: The company's Chinese name was renamed on April 28, 2014.

Note 11: Global Pursuit North has disposed Global Pursuit North America Co., Ltd. at $3,024 in April 2014 and recognised investment loss of $8,600.

The financial statements of certain consolidated subsidiaries were audited by other independent accountants, which statements reflect total assets of $1,580,763 and $1,148,916, constituting 30% and 24% of the consolidated total assets as of December 31, 2014 and 2013, respectively, and net operating revenue of $2,968,808 and $2,214,715, constituting 33% and 27% of the consolidated total operating revenues for the years then ended, respectively.

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

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

E. 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 recognized 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 recognized 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 recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized 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 and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

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

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

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

(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 realized, 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 realized 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

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

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

A. Financial assets at fair value through profit or loss are financial assets 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 at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. Financial assets at fair value through profit or loss are initially recognized 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 recognized 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 recognized and derecognized using trade date accounting.

C. Available-for-sale financial assets are initially recognized 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 recognized 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 recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. However, for short-term accounts receivable which are non-interest bearing, as the effect of discounting is insignificant, they are measured subsequently at initial invoice amount.

(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 reorganization;

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

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; or

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

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

b) Available-for-sale financial assets

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 contractual rights to receive cash flows from the financial asset have been transferred; however, the Group 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 cost to obtain the assets. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(13) <u>Non-current assets (or disposal groups) held for sale</u>

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) <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 recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized 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 recognize further losses, unless it has incurred legal or/constructive obligations or made payments on behalf of the associate.

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

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

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

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

(15) Property, plant and equipment

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

B. Subsequent costs are included in the asset's carrying amount or recognized 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. If each part of an item of property, plant and equipment has a cost that is significant in relation to the total, the cost of the item must be depreciated separately.

D. 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 as follows:

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

(16) Intangible assets

A. Trademarks

Trademarks have a finite useful life and are amortized 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 amortised 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.

F. Software

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

G. Royalty

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

(17) Lease

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

(18) 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. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

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

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

(19) Borrowings

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

(20) 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. However, short-term accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

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

(22) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognized at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortized 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 amortized in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

(23) 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 recognized as expenses in that period when the employees render service.

B. Pensions

a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension 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 net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date instead).

ii. Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise.

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 recognized 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 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-dividends.

(24) 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. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

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

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

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

F. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilised.

(26) Share capital

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.

(27) Dividends

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

(28) 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 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 recognised 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 recognises the collections of payments for game card purchases or value-added by players as "advance receipts" within current liabilities, and amortises 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 recognised as revenue when services are rendered.

(29) 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 acquire either at fair value or at the non-controlling interest's proportionate share of the acquire's identifiable net assets.

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

(30) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make **c**ritical assumptions and **e**stimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

A. Financial assets-impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset-equity investment is impaired. This determination requires significant judgment. In making this judgment, 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.

B. Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of the Group's exposure to the significant risks and rewards associated with the sale of goods or the rendering of service in accordance with the business model and substance of the transaction. Where the Group acts as a principal, the amount received or receivable from customer is recognised as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognised representing commissions earned.

The following characteristics of a principal are used as indicators to determine whether the Group shall recognise revenue on a gross basis:

a) The Group has primary responsibilities for the goods or services it provides;

b) The Group bears inventory risk;

c) The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.

d) The Group bears credit risk of customers.

(2) <u>Critical accounting estimates and assumptions</u>

A. Revenue recognition

The Group recognises 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. 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 December 31, 2014, the Group's deferred revenue amounted to $38,140, shown as "Other current liabilities".

B. Impairment assessment on goodwill

The impairment assessment on goodwill relies on the Group's subjective judgment, 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(10) for the information on goodwill impairment.

As of December 31, 2014, the Group recognised goodwill, net of impairment loss, amounting to $19,538.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2014	December 31, 2013
Cash on hand	$ 18,674	$ 1,138
Checking accounts and demand deposits	1,209,411	1,310,288
Cash equivalents - time deposits	56,912	296,079
	1,284,997	1,607,505
Classified as non-current assets held for sale	(12,127)	-
	$ 1,272,870	$ 1,607,505

A. The Group deals with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. 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	December 31, 2014	December 31, 2013
Current items:		
Financial assets held for trading		
Listed (TSE and OTC) stocks	$ -	$ 2,351
Corporate bond funds	-	4,000
	-	6,351
Valuation adjustment of financial assets held for trading	-	(744)
	$ -	$ 5,607

A. The Group recognised net gain of $768 and $6,097 on financial assets held for trading for the years ended December 31, 2014 and 2013, 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 will be 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. Gamania Asia Investment Co. had recognized gain of $1,140 on disposal of financial instruments in second quarter of 2013.

C. On March 30, 2010, the Board of Directors of the Company's subsidiary, Gameastor Digital Entertainment Co., Ltd., has resolved to issue preferred stocks of 285 thousand shares with the par value of $10 amounting to $2,850 for business needs. After 3 years from the issuance of preferred stocks, if the fair value is higher than the agreed base price, the subsidiary may buy back the issued preferred stocks at the original fair value within 30 days. Within the same period, investors may request the subsidiary to buy back all the shares at once at the fair value. However, if the fair value is lower than the agreed based price, the subsidiary shall redeem at the agreed base price. Gameastor Digital Entertainment Co., Ltd. has disposed the financial liabilities in the second quarter of 2013. The gain recognised on financial liabilities measured at fair value through profit or loss amounting to $5,626 was recorded as 'other gains and losses'.

(3) Available-for-sale financial assets

Items	December 31, 2014	December 31, 2013
Current items:		
Listed stocks	$ 118,544	$ -
Valuation adjustment of available-for-sale financial assets	5,019	-
Total	$ 123,563	$ -
Non-current items:		
Listed stocks	$ 368,320	$ -
Unlisted stock	102,899	66,067
Subtotal	471,219	66,067
Valuation adjustment of available-for-sale financial assets	55,411	2,067
Accumulated impairment	(9,206)	(9,206)
Total	$ 517,424	$ 58,928

A. The Group recognised $58,348 and ($12,965) in other comprehensive income for fair value changes for the years ended December 31, 2014 and 2013, respectively.

B. GIH has sold all share capital of GJP to Aeria Inc. on December 24, 2014, and acquired 7% share capital of Aeria Inc. at the fair value of $118,544. The difference between the carrying amount of GJP of $42,754 was recognised as gain on disposal of investments (recorded as 'other gains and losses').

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

D. As of December 31, 2014 and 2013, no available-for-sale financial assets of the Group were pledged as collateral.

(4) Accounts receivable

	December 31, 2014	December 31, 2013
Accounts receivable	$ 1,664,553	$ 1,585,073
Less: Allowance for doubtful accounts	(78,681)	(65,289)
Allowance for sales returns	(537)	(537)
	1,585,335	1,519,247
Classified as non-current assets held for sale	(34,257)	-
	$ 1,551,078	$ 1,519,247

A. The ageing analysis of accounts receivable (including accounts receivables-related parties and overdue accounts receivable) that were past due but not impaired is as follows:

	December 31, 2014	December 31, 2013
Up to 30 days	$ 217,573	$ 252,078
31~60 days	51,078	73,838
61~90 days	54,905	18,876
91~120 days	42,274	7,665
Over 120 days	164,403	112,681
	$ 530,233	$ 465,138

The movement analysis of the above impaired financial assets that are past due is as follows:

a) As of December 31, 2014 and 2013, the Group's notes receivable, accounts receivable and overdue accounts receivable that were impaired amounted to $181,214 and $178,176, respectively.

b) Movement on allowance for bad debts is as follows:

	2014		
	Individual provision	Group provision	Total
At January 1	$ 112,887	$ 65,289	$ 178,176
Provision for impairment	1,394	20,501	21,895
Write-offs during the period	-	(438)	(438)
Effect of decrease in consolidated entities	(11,748)	(6,985)	(18,733)
Effect of exchange rate	-	314	314
At December 31	$ 102,533	$ 78,681	$ 181,214

	2013		
	Individual provision	Group provision	Total
At January 1	$ 68,005	$ 76,778	$ 144,783
Provision for impairment (reversal of allowance)	44,882	(8,442)	36,440
Write-offs during the period	-	(3,183)	(3,183)
Effect of exchange rate	-	136	136
At December 31	$ 112,887	$ 65,289	$ 178,176

C. The accounts receivable (including accounts receivable-related parties) were neither past due nor impaired since the Group had properly screened 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:

	December 31, 2014	December 31, 2013
Neither past due nor impaired	$ 1,304,353	$ 1,127,932

D. The maximum exposure to credit risk at December 31, 2014 and 2013 was the carrying amount of each class of accounts receivable.

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

(5) Inventories

	December 31, 2014		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 63,377	($ 458)	$ 62,919
Classified as non-current assets held for sale	(6,661)	-	(6,661)
	$ 56,716	($ 458)	$ 56,258

	December 31, 2013		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 64,284	($ 1,198)	$ 63,086

The cost of inventories recognised as expense for the year:

	Years ended December 31, 2014	2013
Cost of goods sold	$ 905,171	$ 2,007,723
(Reversal of allowance) provision for inventory obsolescence and market price decline (Note)	(302)	2,111
	$ 904,869	$ 2,009,834

(Note) The gain on reversal of allowance was caused by the Group's recognition of reversal of allowance for impairment loss on inventories when the related inventory items were scrapped or sold.

(6) Investments accounted for under the equity method

A. List of long-term investments

Name of associates	December 31, 2014 Ownership percentage	Balance	December 31, 2013 Ownership percentage	Balance
Jsdway Digital Technology Co., Ltd. (Jsdway)	35.04	$ 53,664	-	$ -
Chuang Meng Shr Ji Co., Ltd.	23.08	29,307	-	-
Fantasy Fish Digital Games Co., Ltd.	44.08	22,284	44.08	20,323
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	30.94	8,879	30.94	12,687
UniCube Co., Ltd. (UniCube)	40.00	5,670	-	-
Firedog Creative Co., Ltd. (Firedog)	40.00	4,075	40.00	7,375
Pri-One Marketing Co., Ltd.	30.00	2,908	30.00	1,756
Machi Pictures Co., Ltd. (Machi Pictures) (Note)	33.33	180	33.33	-
		$126,967		$ 42,141

Note: As the Company intends to provide endorsements, guarantees or financial support for Machi Pictures, the investment loss is recognized continuously in proportion to the Company's equity interest in the investee. Thus, as of December 31, 2013, the credit balance of investment was ($4), and accounted in other liabilities (shown in 'other non-current liabilities').

B. Among investees accounted for using equity method for the year ended December 31, 2014, Jsdway Digital Technology Co., Ltd. was calculated based on financial statements audited by its appointed independent accountants. The gain on investment recognised based on financial statements audited by its appointed independent accountants was $1,101. As of

December 31, 2014, the balance of long-term investments was $53,664.

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

	Assets	Liabilities	Revenue	Profit/(Loss)	% interest held
December 31, 2014					
Jsdway	$ 402,070	$ 235,173	$1,462,362	($ 5,649)	35.04%
UniCube	14,917	2,532	24,234	6,588	40.00%
Taiwan e-sports	37,687	8,985	25,363	(12,310)	30.94%
Machi Pictures	1,217	677	-	553	33.33%
Pri-One	13,217	3,524	25,989	3,839	30.00%
Firedog	6,400	9,123	6,827	(8,942)	40.00%
Fantasy Fish	105,442	50,692	207,901	8,645	44.08%
Chuang Meng	128,681	1,684	-	(3,004)	23.08%
	$ 709,631	$ 312,390	$1,752,676	($ 10,280)	

	Assets	Liabilities	Revenue	Profit/(Loss)	% interest held
December 31, 2013					
Taiwan e-sports	$ 51,824	$ 10,811	$ 24,058	($ 17,054)	30.94%
Machi Pictures	1,383	1,396	31,392	(56,256)	33.33%
Pri-One	8,584	2,730	14,205	854	30.00%
Firedog	5,641	1,573	341	(5,477)	40.00%
Fantasy Fish	63,952	17,848	19,487	(7,830)	44.08%
	$ 131,384	$ 34,358	$ 89,483	($ 85,763)	

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

D. The Group's subsidiary, Gash Plus (Taiwan) Company Limited did not participate in the capital increase of Fantasy Fish Digital Games Co., Ltd. in September and November, 2013. Gash Plus (Taiwan) Company Limited's shareholding ratio dropped from 100% to 44.08% and Gash Plus (Taiwan) Company Limited did not hold more than half of the Board of Directors seats after the re-election on October 9, 2013 and thus lost its control over Fantasy Fish Digital Games Co., Ltd. As the fair value of share capital was approximately the same on the transaction date, no gain or loss on disposal arose. Therefore, Fantasy Fish Digital Games Co., Ltd. was deconsolidated and is accounted for using equity method.

E. Jsdway Digital Technology Co., Ltd. was included in the consolidated entities as Gash Plus (Taiwan) Co., Ltd. held more than half of the Board of Directors seats of Jsdway Digital Technology Co., Ltd. After the re-election on October 7, 2014, Gash Plus (Taiwan) Co., Ltd.’s seats in the Board of Directors were less than half and Gash Plus (Taiwan) Co., Ltd. has lost control. Therefore, Jsdway Digital Technology Co., Ltd. and its subsidiaries was deconsolidated from October 7, 2014. The difference between the fair value and carrying amount upon loss of control amounted to $19,694 which was recognised as gain on disposal of investments (recorded as ‘other gains and losses’).

F. Gamania Asia Investment Co., Ltd. has swapped 30% of share capital of UniCube Co., Ltd. with 30% of share capital of Mimigigi Digital Technology Co., Ltd. on December 30, 2014. As the fair values of share capital were approximately the same on the transaction date, no gain or loss on disposal arose. After the swap, Gamania Asia Investment Co., Ltd. holds 40% of share capital of UniCube Co., Ltd. and lost control. Therefore, UniCube Co., Ltd. was deconsolidated and is accounted for using equity method from December 30, 2014.

(7) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Equipment to be inspected	Total
At January 1, 2014									
Cost	$ 157,449	$ 203,942	$ 731,430	$ 7,332	$ 84,752	$ 65,461	$ 36,340	$ 1,722	$ 1,288,428
Accumulated depreciation	-	(46,061)	(428,085)	(2,845)	(56,065)	(36,029)	(18,530)	-	(587,615)
Accumulated impairment	-	-	(6,382)	-	(45)	-	-	-	(6,427)
	$ 157,449	$ 157,881	$ 296,963	$ 4,487	$ 28,642	$ 29,432	$ 17,810	$ 1,722	$ 694,386
2014									
Opening net book amount	$ 157,449	$ 157,881	$ 296,963	$ 4,487	$ 28,642	$ 29,432	$ 17,810	$ 1,722	$ 694,386
Additions	552	4,760	66,525	-	3,398	9,329	862	4,470	89,896
Disposals	-	(5,767)	(4,545)	(160)	(776)	(1,597)	(180)	-	(13,025)
Reclassifications	-	3,243	2,995	-	(375)	-	375	(6,238)	-
Depreciation charge	-	(9,448)	(143,715)	(1,199)	(10,922)	(11,449)	(7,620)	-	(184,353)
Acquired from business combinations	-	-	1,101	216	2,747	446	-	-	4,510
Effect of decrease in consolidated entities	(250)	(4,285)	(14,762)	(3,128)	(884)	-	(6,753)	-	(30,062)
Net exchange differences	558	1,501	434	-	64	806	10	46	3,419
Closing net book amount	$ 158,309	$ 147,885	$ 204,996	$ 216	$ 21,894	$ 26,967	$ 4,504	$ -	$ 564,771
At December 31, 2014									
Cost	$ 158,309	$ 196,340	$ 662,908	$ 1,395	$ 68,908	$ 59,531	$ 16,863	$ -	$ 1,164,254
Accumulated depreciation	-	(48,455)	(451,530)	(1,179)	(46,967)	(32,564)	(12,359)	-	(593,054)
Accumulated impairment	-	-	(6,382)	-	(47)	-	-	-	(6,429)
	158,309	147,885	204,996	216	21,894	26,967	4,504	-	564,771
Less: Classified as non–current assets held for sale	(36,448)	(19,732)	(31,597)	-	(707)	(876)	(219)	-	(89,579)
	$ 121,861	$ 128,153	$ 173,399	$ 216	$ 21,187	$ 26,091	$ 4,285	$ -	$ 475,192

	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
2013									
Opening net book amount	$ 157,192	$ 167,710	$ 409,921	$ 6,494	$ 39,208	$ 50,785	$ 18,072	$ 2,673	$ 852,055
Business combination	-	-	-	-	24	-	-	-	24
Additions	-	564	53,915	465	4,178	2,062	3,488	261	64,933
Disposals	-	(1,951)	(9,213)	(741)	(2,764)	(994)	(1,731)	-	(17,394)
Reclassifications	-	-	(8,156)	-	2,303	-	6,689	(836)	-
Depreciation charge	-	(7,499)	(146,083)	(1,744)	(14,434)	(22,937)	(8,680)	-	(201,377)
Net exchange differences	257	(943)	(3,421)	13	127	516	(28)	(376)	(3,855)
Closing net book amount	$ 157,449	$ 157,881	$ 296,963	$ 4,487	$ 28,642	$ 29,432	$ 17,810	$ 1,722	$ 694,386
At December 31, 2013									
Cost	$ 157,449	$ 203,942	$ 731,430	$ 7,332	$ 84,752	$ 65,461	$ 36,340	$ 1,722	$ 1,288,428
Accumulated depreciation	-	(46,061)	(428,085)	(2,845)	(56,065)	(36,029)	(18,530)	-	(587,615)
Accumulated impairment	-	-	(6,382)	-	(45)	-	-	-	(6,427)
	$ 157,449	$ 157,881	$ 296,963	$ 4,487	$ 28,642	$ 29,432	$ 17,810	$ 1,722	$ 694,386

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

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

(8) Intangible assets

	Agency	Software	Other intangible asset	Goodwill	Total
At January 1, 2014					
Cost	$ 339,109	$ 135,637	$ 52,619	$ 74,537	$601,902
Accumulated amortisation	(86,685)	(76,197)	(24,042)	-	(186,924)
Accumulated impairment	(61,550)	(29,630)	-	(13,914)	(105,094)
	$ 190,874	$ 29,810	$ 28,577	$ 60,623	$309,884
2014					
Opening net book amount	$ 190,874	$ 29,810	$ 28,577	$ 60,623	$309,884
Additions	206,192	28,364	12,725	-	247,281
Amortisation charge	(119,137)	(32,726)	(19,881)	-	(171,744)
Transfer to other expenses	-	-	(434)	-	(434)
Disposals	(13,268)	(95)	(994)	-	(14,357)
Reclassifications	-	(2,312)	2,381	-	69
Acquired from business combinations	-	526	33,192	19,538	53,256
Effect of decrease in consolidated entities	(3,044)	(4,109)	(13,043)	(28,602)	(48,798)
Impairment loss	(33,665)	-	(86)	(33,601)	(67,352)
Net exchange differences	(78)	535	314	1,580	2,351
Closing net book amount	$ 227,874	$ 19,993	$ 42,751	$ 19,538	$310,156
At December 31, 2014					
Cost	$ 423,302	$ 56,633	$ 68,570	$ 48,848	$597,353
Accumulated amortisation	(155,371)	(36,640)	(25,739)	-	(217,750)
Accumulated impairment	(40,057)	-	(80)	(29,310)	(69,447)
	227,874	19,993	42,751	19,538	310,156
Less: Classified as non-current assets held for sale	-	(4,765)	(65)	-	(4,830)
	$ 227,874	$ 15,228	$ 42,686	$ 19,538	$305,326

	Patent	Agency	Software	Other intangible asset	Goodwill	Total
At January 1, 2013						
Cost	$ 8,538	$ 507,434	$ 147,178	$ 60,389	$ 89,437	$ 812,976
Accumulated amortisation	(4,894)	(293,282)	(76,808)	(13,403)	-	(388,387)
Accumulated impairment	(2,135)	(50,763)	-	(374)	(10,019)	(63,291)
	$ 1,509	$ 163,389	$ 70,370	$ 46,612	$ 79,418	$ 361,298
2013						
Opening net book amount	$ 1,509	$ 163,389	$ 70,370	$ 46,612	$ 79,418	$ 361,298
Additions	-	198,470	52,027	13,564	-	264,061
Business combination	-	-	-	-	308	308
Amortisation charge	(1,261)	(99,686)	(49,911)	(22,666)	-	(173,524)
Transfer to other expenses	-	(11,778)	-	-	-	(11,778)
Disposals	(279)	(9,299)	(7,597)	(6,112)	(5,044)	(28,331)
Reclassifications	-	(210)	(5,981)	(3,223)	-	(9,414)
Impairment loss	-	(41,972)	(31,679)	-	(14,891)	(88,542)
Effect of decrease in consolidated entities	-	(8,571)	-	-	-	(8,571)
Net exchange differences	31	531	2,581	402	832	4,377
Closing net book amount	$ -	$ 190,874	$ 29,810	$ 28,577	$ 60,623	$ 309,884
At December 31, 2013						
Cost	$ -	$ 339,109	$ 135,637	$ 52,619	$ 74,537	$ 601,902
Accumulated amortisation	-	(86,685)	(76,197)	(24,042)	-	(186,924)
Accumulated impairment	-	(61,550)	(29,630)	-	(13,914)	(105,094)
	$ -	$ 190,874	$ 29,810	$ 28,577	$ 60,623	$ 309,884

A. The details of amortisation are as follows:

	Years ended December 31, 2014	Years ended December 31, 2013
Operating costs	$ 141,403	$ 122,361
Selling expenses	6,856	10,475
General and administrative expenses	22,173	35,008
Research and development expenses	1,312	5,680
	$ 171,744	$ 173,524

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

	December 31, 2014	December 31, 2013
Goodwill		
Playcoo	$ -	$ 46,552
AMI	19,538	-
GCH	28,344	26,763
Sino	966	914
Jsdway(M) Sdn. Bhd.	-	308
	48,848	74,537
Less: accumulated impairment	(29,310)	(13,914)
	$ 19,538	$ 60,623

C. Impairment information about the intangible assets is provided in Note 6(10).

(9) Non-current assets

	December 31, 2014	December 31, 2013
Overdue accounts receivable	$ 102,539	$ 120,884
Less: Allowance for doubtful accounts	(102,539)	(112,887)
Refundable deposits	40,817	46,045
Prepayment for investments	-	6,000
Prepayment for pensions	2,436	-
Other financial assets-non-current	-	5,007
Others	871	829
	44,124	65,878
Classified as non-current assets held for sale	(3,162)	-
	$ 40,962	$ 65,878

Jsdway Digital Technology Co., Ltd., did not fully provide its overdue accounts receivable with allowance as of December 31, 2013 since based on its assessment, such receivables were collectible.

(10) Impairment of non-financial assets

A. Details of impairment loss recognised by the Group for the years ended December 31, 2014 and 2013 are as follows:

	Year ended December 31, 2014	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ 33,601	$ -
Impairment loss-agency	33,665	-
Impairment loss-trademark right	86	-
	$ 67,352	$ -

	Year ended December 31, 2013	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ 14,891	$ -
Impairment loss-investment accounted for using equity method	1,098	-
Impairment loss-agency	41,972	-
Impairment loss-software	31,679	-
	$ 89,640	$ -

B. The Company recognized impairment loss on investment and goodwill for the years ended December 31, 2014 and 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 at the balance sheet date.

C. The Company and its subsidiaries recognized impairment loss on agency, trademark right and software for the years ended December 31, 2014 and 2013, respectively, since the book value is greater than the recoverable amount. The Group used on-line game revenues and projected expenditures as recoverable amount when points are expected to be consumed.

(11) Non-current assets held for sale

A. On December 19, 2014, the Company has approved to dispose 60% of share capital of the subsidiary – Seedo Games Co., Ltd. The disposal was expected to be completed in the first quarter of 2015. Seedo Games Co., Ltd. meets the criteria of the subsidiary classified as held for sale due to the disposal. The assets and liabilities relating to Seedo Games Co., Ltd. classified as disposal group held for sale are shown below. However, as business activities of Seedo Games Co., Ltd. are not the Group's major individual activities, Seedo Games Co., Ltd. does not meet the definition of discontinued operations.

B. Assets of disposal group classified as held for sale:

	December 31, 2014
Cash and cash equivalents	$ 12,127
Accounts receivable	34,257
Inventories	6,661
Other current assets	983
Property, plant and equipment	89,579
Intangible assets	4,830
Other non-current assets	3,162
	$ 151,599

C. Liabilities of disposal group classified as held-for-sale:

	December 31, 2014
Accounts payable	$ 18,670
Other payables	20,388
Other current liabilities	1,723
Other non-current liabilities	889
	$ 41,670

D. Details of major assets and liabilities of disposal group as held for sale are as follows:

(a) Property, plant and equipment

	December 31, 2014		
Item	Original cost	Accumulated depreciation	Net book value
Land	$ 36,448	$ -	$ 36,448
Buildings	19,841	(109)	19,732
Machinery	48,036	(16,439)	31,597
Office equipment	1,083	(376)	707
Leasehold improvements	1,134	(258)	876
Other equipment	584	(365)	219
	$ 107,126	($ 17,547)	$ 89,579

(b) Intangible assets

	December 31, 2014		
Item	Original cost	Accumulated amortization	Net book value
Software	$ 6,461	($ 1,696)	$ 4,765
Other intangible assets	435	(370)	65
	$ 6,896	($ 2,066)	$ 4,830

(c) Other payables

	December 31, 2014
Salary payable and annual bonus	$ 9,389
Payable on corporate tax and withholding tax	59
Payable on equipment	7,491
Others	3,449
	$ 20,388

(12) Short-term borrowings

	December 31, 2014	December 31, 2013
Unsecured bank loans	$ -	$ 13,559
Credit lines	$ 1,787,577	$ 2,568,738
Interest rate	-	1.15%~7.20%

(13) Other payables

	December 31, 2014	December 31, 2013
Salary payable and annual bonus	$ 127,735	$ 170,535
Employees' bonus payable	17,004	-
Compensation payable to directors and supervisors	2,027	-
Payable on corporate tax and withholding tax	40,537	40,500
Payable on equipment and intangible assets	9,510	38,672
Others	169,598	117,726
	366,411	367,433
Classified as liabilities included in disposal groups classified as held for sale	(20,388)	-
	$ 346,023	$ 367,433

(14) Other current liabilities

	December 31, 2014	December 31, 2013
Unearned revenue collected in advance	$ 660,488	$ 477,522
Current portion of long-term liabilities	-	16,569
Receipts under custody	4,677	9,622
Tax receipts under custody	2,802	3,136
Other current liabilities-others	44,754	17,677
	712,721	524,526
Classified as liabilities included in disposal groups classified as held for sale	(1,723)	-
	$ 710,998	$ 524,526

(15) Bonds payable

	December 31, 2014	December 31, 2013
Bonds payable	$ -	$ 37,659
Less: Current portion	-	(16,547)
	$ -	$ 21,112

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%	Principal amount of JPY 5 million is repayable 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%	Principal amount of JPY 24 million is repayable 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.

(16) Long-term borrowings

Bank	Period / Terms of repayment	Interest	Collateral	December 31, 2013
Yuanta Bank	Monthly installments	2.99%	Car	$ 22
Less: Current portion	2011/1/14~2014/1/13			(22)
				$ -

The Group has the following undrawn borrowing facilities:

	December 31, 2013
Fixed rate:	
Expiring within one year	$ 2,168
Expiring beyond one year	-
	$ 2,168

(17) Pensions

A. Defined benefit plans

(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 recognized in the balance sheet are determined as follows:

	December 31, 2014	December 31, 2013
Present value of funded obligations	$ 48,501	$ 72,097
Fair value of plan assets	(50,937)	(54,049)
Net (asset) liability in the balance sheet (shown as other non-current assets and other non-current liabilities)	($ 2,436)	$ 18,048

(c) Changes in present value of funded obligations are as follows:

	2014	2013
Present value of funded obligations		
At January 1	$ 72,097	$ 81,914
Current service cost	899	1,161
Interest expense	1,324	1,228
Actuarial gain	(3,632)	(12,206)
Effect of decrease in consolidated entities	(22,187)	-
At December 31	$ 48,501	$ 72,097

(d) Changes in fair value of plan assets are as follows:

	2014	2013
Fair value of plan assets		
At January 1	$ 54,049	$ 50,956
Expected return on plan assets	1,052	764
Actuarial gain (loss)	141	(126)
Employer contributions	1,713	2,455
Effect of decrease in consolidated entities	(6,018)	-
At December 31	$ 50,937	$ 54,049

(e) Amounts of expenses recognized in statements of comprehensive income are as follows:

	Years ended December 31,	
	2014	2013
Current service cost	$ 899	$ 1,161
Interest cost	1,324	1,228
Expected return on plan assets	(1,052)	(764)
Current pension costs	$ 1,171	$ 1,625

Details of cost and expenses recognized in statements of comprehensive income are as follows:

	Years ended December 31,	
	2014	2013
Cost of sales	$ 78	$ 228
Selling expenses	151	252
General and administrative expenses	712	823
Research and development expenses	230	322
	$ 1,171	$ 1,625

(f) Amounts recognized under other comprehensive income are as follows:

	Years ended December 31,	
	2014	2013
Recognition for current period	$ 3,787	$ 12,080
Accumulated amount	$ 5,324	$ 1,537

(g) 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 utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization 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 utilization 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 December 31, 2014 and 2013 is given in the Annual Labor Retirement Fund Utilization 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 utilization 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.

The expected return on plan assets of the Company's and domestic subsidiaries as of December 31, 2014 and 2013 are $1,193 and $638, respectively.

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

	Years ended December 31,	
	2014	2013
Discount rate	2.00%	1.80%~2.00%
Future salary increases	3.50%	3.00%~3.50%
Expected return on plan assets	2.00%	1.80%~2.00%

Assumptions for December 31, 2014 and 2013 regarding future mortality experience were set based on actuarial advice in accordance with published statistics and experience as shown in the 5th Taiwan Standard Ordinary Experience Mortality Table.

(i) Historical information of experience adjustments was as follows:

	Years ended December 31,		
	2014	2013	2012
Present value of defined benefit obligation	$ 48,501	$ 72,097	$ 81,914
Fair value of plan assets	(50,937)	(54,049)	(50,956)
Deficit in the plan	($ 2,436)	$ 18,048	$ 30,958
Experience adjustments on plan liabilities	($ 3,632)	($ 5,964)	$ 6,175
Experience adjustments on plan assets	$ 155	($ 126)	($ 410)

(j) Expected contributions to the defined benefit pension plans of the Group within one year from December 31, 2014 are $1,491.

B. Defined contribution plans

(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 a certain percentage of employees’ monthly salaries and wages. The contribution percentage for the year ended December 31, 2014 and 2013 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.

(c) Gamania Digital Entertainment (Japan) Co., Ltd., Gamania Digital Entertainment (H.K.) Co., Ltd., Gash Plus (Hong Kong) Company Limited, Gash Plus (Japan) Co., Ltd., Gash Plus Korea Co., Ltd. and Joymobee Entertainment Co., Ltd. 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 years ended December 31, 2014 and 2013 were $31,690 and $40,027, respectively.

(18) Share-based payment

A. As of December 31, 2013, 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:

	Years ended December 31,			
	2014		2013	
	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 year	3,955	$ 23.00	4,742	$ 23.00
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options forfeited	-	-	-	-
Options exercised (Note 2)	-	-	(710)	23.00
Options expired	(3,955)	23.00	(77)	23.00
Options outstanding at end of the year	-	-	3,955	23.00
Options exercisable at end of the year	-		3,955	

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

Note 2: For the year ended December 31, 2013, 16 thousand employees' stock options were converted to common stocks. As of December 31, 2013, 109 thousand shares were accounted for under stock subscriptions received in advance as the record date for the capital increase has not been set yet.

C. The weighted-average stock price of stock options at exercise date for the year ended December 31, 2013 was $25.06 (in dollars).

(19) Common stock

A. As of December 31, 2014, the Company's authorized capital was $2,500,000, consisting of 250 million shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was $1,575,936 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2014 (Note)	2013 (Note)
At January 1	157,312	156,869
Employee stock options exercised	-	428
Advance receipts for share capital transferred to ordinary shares	282	15
At December 31	157,594	157,312

Note: In thousands of shares

(20) Capital surplus

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

C. On June 19, 2014, the stockholders resolved to use paid-in capital in excess of par value on issuance of common stocks to issue cash of $0.5 (in dollars) per share, totaling $78,797, to stockholders.

(21) Unappropriated 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. Special reserve

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. Pursuant to a resolution approved in the stockholders' meeting on June 19, 2013, the Company made the following appropriations of 2012 net income: legal reserve of $159,610, capital reserve of $123,619 and cover the accumulated deficit of $283,229. No employees' bonus and directors' and supervisors' remuneration was distributed as approved during the stockholders' meeting. The deficit compensation for 2012 as stated above is in agreement with that proposed by the Board of Directors on March 25, 2013.

E. The shareholders during their meeting on June 19, 2014 resolved to propose the following appropriation for 2013 earnings: appropriate legal reserve of $3,856 and special reserve of $34,703. There were no earnings to be appropriated from 2013, thus, employees' bonus and directors' and supervisors' remuneration were not accrued and resolved at the shareholders' meeting. The aforementioned appropriation for 2013 was in agreement with the proposal by the Board of Directors on March 17, 2014.

F. On March 12, 2015, the Board of Directors resolved the 2014 appropriation of retained earnings:

	Year ended December 31, 2014	
	Amount (Note)	Dividend per Share (in dollars)
Legal reserve appropriated	$ 9,326	
Special reserve reversed	34,703	
Cash dividend to shareholders distributed	110,316	$ 0.70

(Note) Cash bonus of $17,000 to employees and remuneration of $2,300 to directors and supervisors were proposed by the Board of Directors.

As of March 12, 2015, the appropriation of earnings for the year ended December 31, 2014 has not yet been resolved by the shareholders.

G. For the year ended December 31, 2014, employees' bonus and directors' and supervisors' remuneration was accrued at $17,004 and $2,027, respectively. The accruals were based on profit after tax for the year ended December 31, 2014, as well as legal reserve and others, and were recognised as operating costs and operating expenses for 2014. The basic accrual is within the percentage stated in the Company's Articles of Incorporation (10~15% for employees' bonus and 2% for directors' and supervisors' remuneration). 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 adjusted in the profit or loss in the following financial reporting year. There was no earnings for appropriation in 2013, and thus, the Company did not make accruals for employees' bonus and directors' and supervisors' remuneration.

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

(22) Operating revenue

	Years ended December 31,	
	2014	2013
Sales revenue-net	$ 8,927,120	$ 8,015,780
Service revenue	37,400	60,659
Other operating revenue	105,336	161,288
	$ 9,069,856	$ 8,237,727

(23) Other income

	Years ended December 31,	
	2014	2013
Rental revenue	$ 5,302	$ 1,573
Dividend income	800	-
Interest income from bank deposits	4,490	4,502
Other income	29,433	68,304
	$ 40,025	$ 74,379

(24) Other gains and losses

	Years ended December 31,	
	2014	2013
Net gain on financial assets at fair value through profit or loss	$ 768	$ 6,097
Net currency exchange loss	(9,664)	(2,670)
Loss on disposal of property, plant and equipment	(6,801)	(3,206)
(Loss) gain on disposal of intangible assets	(4,187)	9,457
Impairment loss	(67,352)	(89,640)
Gain on disposal of investment	57,577	2,093
Others	(22,257)	(20,316)
	($ 51,916)	($ 98,185)

(25) Finance costs

	Years ended December 31,	
	2014	2013
Interest expense:		
Bank borrowings	$ 755	$ 2,107
Others	823	992
	$ 1,578	$ 3,099

(26) Expenses by nature

	Years ended December 31,	
	2014	2013
On-line game cost	$ 1,098,416	$ 1,662,801
Point service cost	4,795,094	2,034,839
Cost of physical sales	904,069	2,009,434
Other operating cost	376,483	212,678
Bad debts expense	21,895	36,440
Operating lease payments	81,717	100,904
Advertising expense	197,323	156,563
Depreciation on property, plant and equipment	184,353	201,377
Amortisation expense	171,744	173,524
Service fees	46,087	58,258
Travel expenses	30,590	42,657
Utilities expenses	26,959	43,745
Employee benefit expenses	884,148	1,090,140
Other expenses	137,245	241,994
	$ 8,956,123	$ 8,065,354

(27) Employee benefit expense

	Years ended December 31,	
	2014	2013
Wages and salaries	$ 757,767	$ 930,598
Labor and health insurance fees	61,399	80,835
Pension costs	32,861	41,652
Other personnel expenses	32,121	37,055
	$ 884,148	$ 1,090,140

(28) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	Years ended December 31,	
	2014	2013
Current tax		
Current tax on profits for the period	$ 19,579	$ 58,699
Adjustments in respect of prior years	19,460	9,508
Total current tax	39,039	68,207
Deferred tax		
Origination and reversal of temporary differences	(44,604)	(8,802)
Income tax (benefit) expense	($ 5,565)	$ 59,405

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

	Years ended December 31,	
	2014	2013
Actuarial gains/losses on defined benefit obligations	($ 644)	($ 2,054)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2014	2013
Tax calculated based on profit before tax and statutory tax rate	$ 37,168	$ 47,520
Effect from items disallowed by tax regulation	(62,193)	42,871
Effect from investment tax credits	-	(30,772)
Change in assessment of realization of deferred tax assets	-	(9,722)
Under provision of prior year's income tax	19,460	9,508
Income tax (benefit) expense	($ 5,565)	$ 59,405

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

	For the year ended December 31, 2014					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Effect of change in consolidated entities	December 31
Deferred tax assets:						
Temporary differences:						
Provision for bad debts in excess of the allowable limit	$ 5,930	$ 2,765	$ -	$ -	($ 3,431)	$ 5,264
Allowance for sales returns	91	-	-	-	-	91
Provision for inventory obsolescence and market price decline	129	(51)	-	-	-	78
Impairment loss on financial assets	1,675	-	-	-	-	1,675
Investment loss accounted for under equity method	54,304	5,927	-	-	-	60,231
Impairment loss on intangible assets	10,634	1,531	-	-	-	12,165
Unused accrued expenses	4,860	(2,255)	-	-	-	2,605
Deferred revenues	4,351	(1,109)	-	-	-	3,242
Pension payable	2,968	(1,968)	(644)	-	-	356
Investment tax credits	-	28,795	-	-	-	28,795
Loss carryforward	-	17,728	-	-	-	17,728
Others	847	(618)	-	-	(229)	-
	85,789	50,745	(644)	-	(3,660)	132,230
Deferred tax liabilities:						
Temporary differences:						
Investment income accounted for under equity method	-	(3,865)	-	-	-	(3,865)
Depreciation difference between tax and financial basis	(1,576)	617	-	-	-	(959)
Unrealized gain on disposal of property, plant and equipment	-	(2,885)	-	-	-	(2,885)
Others	-	(8)	-	-	-	(8)
	(1,576)	(6,141)	-	-	-	(7,717)
	$ 84,213	$ 44,604	($ 644)	$ -	($ 3,660)	$ 124,513

	For the year ended December 31, 2013					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Effect of change in consolidated entities	December 31
Deferred tax assets:						
Temporary differences:						
Provision for bad debts in excess of the allowable limit	$ 3,766	$ 2,164	$ -	$ -	$ -	$ 5,930
Allowance for sales returns	91	-	-	-	-	91
Provision for inventory obsolescence and market price decline	134	(5)	-	-	-	129
Impairment loss on financial assets	1,675	-	-	-	-	1,675
Investment income accounted for under equity method	48,565	5,739	-	-	-	54,304
Impairment loss on intangible assets	6,496	4,138	-	-	-	10,634
Unused accrued expenses	5,872	(1,012)	-	-	-	4,860
Deferred revenues	4,069	282	-	-	-	4,351
Pension payable	5,267	(245)	(2,054)	-	-	2,968
Investment tax credits	2,772	(2,772)	-	-	-	-
Others	652	195	-	-	-	847
	79,359	8,484	(2,054)	-	-	85,789
Deferred tax liabilities:						
Temporary differences:						
Depreciation differences between tax and financial basis	(1,894)	318	-	-	-	(1,576)
	$ 77,465	$ 8,802	($ 2,054)	$ -	$ -	$ 84,213

D. As approved by Industrial Development Bureau, MOEA, the Company's certain local subsidiaries are qualified as newly emerging, important and strategic industries defined by Executive Yuan, R.O.C. Also, the Company continues to hold the subsidiaries' inscribed shares for more than 3 years. In accordance with Act for Industrial Innovation and Statute for Upgrading Industries (before its abolishment) Article 16, the amount of investment credit for stockholder and unrecognised deferred tax assets are as follows:

	December 31, 2014		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due
Investments in emerging important strategic industries	$ 28,795	$ -	2018

There are no unused tax credits for investments in emerging important strategic industries and unrecognised deferred tax assets as of December 31, 2013.

E. The Company and subsidiaries' expiration dates of unused net operating loss carryforward and amount of unrecognized deferred tax assets are as follows:

	December 31, 2014			
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007-2014	$ 1,390,982	$ 1,390,982	$ 1,286,698	2024

	December 31, 2013			
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2004-2013	$ 1,872,787	$ 1,872,787	$ 1,872,787	2024

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

	December 31, 2014	December 31, 2013
Deductible temporary differences	$ 354,302	$ 321,697

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

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

	Latest Year Assessed by Tax Authority
The Company	2010
Gameastor, Jollywiz	2011
Global Pursuit, Gamania Asia, Two Tigers, Fundation, Seedo, Playcoo, Redgate, Gash Plus (Taiwan)	2012
Punch, Coture New Media, Madsugr, Gash Media Digital Marketing, Gash Pay, Webackers	Not yet been assessed

The Company was required to pay additional income tax of $23,481 for the year 2002 after the re-examination of trial by the Tax Authority. In January 2011, the Company appealed against the assessment, but had paid the additional income tax amounting to $21,083. In October 2011, the decision on the appeal was issued which upheld the original judgment relating to the Company's tax exempt income, research and development expense and tax credits applicable to income tax. However, the original judgment relating to the loss on disposal of the Company's fixed assets was cancelled and would be subject to re-examination by the Tax Authority. In October 2013, the Company appealed against the assessment and paid half of the remaining income tax amounting to $1,199. The appeal was denied in April 2014. Furthermore, the Company disagreed with the re-examination by Ministry of Finance and appealed for administrative litigation in June 2014.

H. Unappropriated retained earnings:

	December 31, 2014	December 31, 2013
Earnings generated in and after 1998	$ 90,291	$ 38,559

I. The balance of the imputation tax credit account and the creditable tax rate are as follows:

	December 31, 2014	December 31, 2013
Imputation tax credit account balance	$ 114,228	$ 52,418

	2014 (Estimated)	2013 (Actual)
Creditable tax rate	20.48%	20.48%

(29) Earnings per share

	Year ended December 31, 2014		
	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	$ 93,265	157,594	$ 0.59
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 93,265	157,594	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	243	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 93,265	157,837	$ 0.59

	Year ended December 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	$ 73,921	157,157	$ 0.47
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 73,921	157,157	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	325	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 73,921	157,482	$ 0.47

(30) Transactions with non-controlling interest

A. In April 2014, the Group acquired additional 20% shares of its subsidiary - Global Pursuit Co., Ltd. (GPTW) without consideration. The carrying amount of non-controlling interest in GPTW was $217 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $217 and an increase in the equity attributable to owners of the parent by $217 (shown as “Capital surplus - difference between proceeds on acquisition of or disposal of equity interest in a subsidiary and its carrying amount”).

B. The subsidiary, Gamania Asia Investment Co., Ltd., swapped 30% of share capital of UniCube Co., Ltd. with 30% of share capital of Mimigigi Digital Technology Co., Ltd. on December 30, 2014. As the fair values of share capital were approximately the same on the transaction date, no capital surplus – difference between proceeds and book value of subsidiaries’ equity acquired or disposed arose.

C. The Group did not conduct any transaction with non-controlling interest during 2013.

(31) Business combinations

A. Acquisitions during the years ended December 31, 2014 and 2013:

(a) The subsidiary, GIH, has acquired 51% of share capital of AMI for $134,802 on December 29, 2014, and obtained control over AMI and its subsidiaries. AMI and its subsidiaries are engaged in e-commerce in Taiwan and Mainland China. The Group expects to strengthen market position in e-commerce.

(b) The subsidiary, Jsdway Digital Technology Co., Ltd., has acquired 60% of share capital of Jsdway (M) Sdn. Bhd. for cash of $585 in September 2013, and consequently obtained control over Jsdway (M) Sdn. Bhd.

B. Consideration paid for Jsdway (M) Sdn. Bhd. and AMI and the fair value information of the assets acquired and liabilities assumed from the acquisitions on the acquisition date are as follows:

	Years ended December 31,	
	2014	2013
Purchase consideration		
Cash paid	$ 134,802	$ 585
Fair value of the non-controlling interest	129,515	186
	$ 264,317	$ 771
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	$ 242,526	$ 573
Accounts receivable, net	50,194	26
Inventories	45,828	-
Other current assets	13,172	-
Property, plant and equipment	4,510	24
Goodwill	19,538	308
Other intangible assets	33,718	-
Other non-current assets	20,879	-
Notes and accounts payable	(123,299)	-
Other payables	(39,400)	(160)
Other current liabilities	(3,349)	-
Total identifiable net assets	$ 264,317	$ 771

C. If Jsdway (M) Sdn. Bhd. and AMI were included in the consolidation as of January 1, 2013, the Group's operating revenue and profit before tax would be:

	Years ended December 31,	
	2014	2013
Operating revenue	$ 9,948,288	$ 9,122,383
Profit before tax	$ 91,994	$ 111,920

(32) Non-cash transaction

A. Investing activities with partial cash payments

	Years ended December 31,	
	2014	2013
Acquisition of property, plant and equipment	$ 89,896	$ 64,933
Add: opening balance of payable on equipment	37,232	4,092
Less: ending balance of payable on equipment	(9,510)	(37,232)
Cash paid during the year	$ 117,618	$ 31,793

	Years ended December 31,	
	2014	2013
Purchase of intangible assets	$ 247,281	$ 264,061
Add: beginning payables	1,440	-
Less: ending payables	-	(1,440)
Cash paid during the year	$ 248,721	$ 262,621

	Years ended December 31,	
	2014	2013
Disposal of intangible assets	$ 14,357	$ 28,331
Less：Other payables	-	(21,889)
Add：Gain on disposal of intangible assets	-	9,457
Less：Loss on disposal of intangible assets	(4,187)	-
Proceeds from disposal of intangible assets	$ 10,170	$ 15,899

B. Financing activities with no cash flow effect - Information on disposal of subsidiary:

	Years ended December 31, 2014	2013
Disposal consideration		
Cash received	$ 4,324	$ -
Transfer to available-for-sale financial assets	118,544	-
Transfer to investment accounting for using equity method	58,170	26,923
Gain on disposal of investments	(56,389)	-
	124,649	26,923
Decrease in assets and liabilities of subsidiaries		
Cash and cash equivalents	$ 176,653	$ 15,708
Net amount of accounts receivable	122,069	-
Inventories	137,611	-
Other current assets	47,463	3,228
Property, plant and equipment	30,062	-
Intangible assets	48,798	8,571
Other non-current assets	45,340	28
Accounts payable	(235,471)	-
Other payables	(64,749)	(594)
Other current liabilities	(20,583)	-
Other non-current assets	(25,854)	(18)
Non-controlling interests	(136,690)	-
	124,649	26,923
Net decrease in cash from disposal of subsidiary	($ 172,329)	($ 15,708)

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. Operating revenue

	Years ended December 31,	
	2014	2013
Sales of goods:		
Associates	$ 267,757	$ 30
Sales of services:		
Associates	731	343
Total	$ 268,488	$ 373

Sales of goods are in accordance with normal prices and terms. Sales of services are customer services and are in accordance with mutual agreements.

B. Operating costs

	Years ended December 31,	
	2014	2013
Costs of point service:		
Associates	$ 94,939	$ 8,085
License fees:		
Other related party	-	750,231
	$ 94,939	$ 758,316

Costs of point service are service cost for splitting revenue from stored values and expenses for online game royalties, and costs are in accordance with mutual agreement.

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

	Years ended December 31,	
	2014	2013
Other related party	$ 8,000	$ 4,000
Associates	14,821	10,596
	$ 22,821	$ 14,596

The above includes donation to other related party and expenses paid to associates for the Company’s advertisements and game development.

Except for donation, expenses were based on mutual agreements.

D. Rental revenue (shown in other revenue)

	Years ended December 31,	
	2014	2013
Associates	$ 1,881	$ 1,071

Rental revenue is from leasing out offices to the associate, IDC. Prices are in accordance with mutual agreements. Rent is paid by using a telegraphic transfer and invoice is issued monthly. The lease period is from January 1, 2014 to December 31, 2014.

E. Accounts receivable

	December 31, 2014	December 31, 2013
Associates	$ 170,027	$ -

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

F. Payables

	December 31, 2014	December 31, 2013
Accounts payable:		
Associates	$ 30,101	$ 5,919
Other related party	-	19,906
	$ 30,101	$ 25,825
Other payables		
Associates	$ 16,984	$ 2,799

Accounts payable are payables for mobile service costs and royalties of mobile games and are due 60 days after the purchase. The payables do not bear interest.

Other payables are payables for mobile game development and advertisements.

G. Property transactions - acquisition of dealership

	Years ended December 31,	
	2014	2013
Other related party	$ -	$ 51,587

The Company has acquired dealership from Nexon in 2013. Terms are in accordance with mutual agreements and all proceeds were paid in full.

(3) Key management compensation

	Years ended December 31,	
	2014	2013
Salaries and other short-term employee benefits	$ 21,910	$ 17,598
Post-employment benefits	216	213
	$ 22,126	$ 17,811

8. PLEDGED ASSETS

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

Pledged assets	Book value December 31, 2014	Book value December 31, 2013	Purpose
Demand deposits (shown in "other current assets")	$ 60,000	$ 30,000	Performance bond of on-line game card's standard contracts / Short-term loans guarantee
Demand deposits (shown in other financial assets-non-current)	-	5,007	Credit card merchant guarantee/ Department of creditor claimed seizure
Property, plant and equipment			
Land	111,855	147,751	Short-term and long-term loans / Credit lines
Buildings	100,956	116,309	Short-term and long-term loans / Credit lines
Transportation equipment	-	1,216	Long-term loans guarantee
	$ 272,811	$ 300,283	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The Group leases warehouse, offices and network equipment under non-cancellable operating lease agreements. The Group recognised rental expenses of $81,717 and $100,904 for these leases in profit or loss for the years ended December 31, 2014 and 2013, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2014	December 31, 2013
Not later than one year	$ 61,019	$ 87,463
Later than one year but not later than five years	59,876	67,280
Later than five years	-	-
Total	$ 120,895	$ 154,743

B. 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

(1) On January 22, 2015, the Company's Board of Directors has adopted the resolution of the following significant events at their interim meeting:

A. For operating capital requirements, the subsidiary, MadSugr Digital Technology Co., Ltd., plans to increase capital by $15,000 which will be fully subscribed by the Company. After the capital increase, the subsidiary's paid-in capital will increase to $60,000, and the Company's shareholding ratio will be 51%.

B. The Company plans to provide guarantee of $98,000 for the subsidiary, Gash Plus (Taiwan) Co., Ltd., to fulfil the subsidiary's operating fund. Furthermore, the Company will apply for performance guarantee of $350,000 to fulfil the standards contracts' guidelines of the online game cards.

C. The Company plans to provide guarantee of RMB20 million for the subsidiary, Jollywiz Digital Business Co., Ltd., to fulfil the subsidiary's operating fund.

D. In order to expand alliance partners in online audio/video market and sideline business and further create operating benefits of the Group, the Company plans to participate in the capital increase of Ikala Global Online Corp. through Gamania International Holdings. The Company expects to obtain 211,640 shares with stock price of USD3 (in dollars) per share, totaling USD634,920 for 5.45% share capital of Ikala Global Online Corp.

E. In order to expand audio/video entertainment business and upstream IP origins to provide more entertaining content, the Company plans to invest in One Production Film Co., Ltd. The Company plans to acquire 100 million shares at NT$20 (in dollars) par value per share. The total investment is $20,000 for a 4.35% share ownership.

(2) In response to the Company's long-term development plan, the Company has signed a trading contract of property with Shin Kong Life Insurance Co., Ltd. on January 28, 2015. The Company plans to purchase an office building in Neihu District, Taipei City, Taiwan. The total consideration is $2,388,000. The Company has paid $716,400, representing 30% of the total consideration, and the remainder will be paid by March 25, 2015 after the transfer of ownership.

(3) On March 12, 2015, the Board of Directors has resolved the following significant evnts:

A. Details of appropriation of earnings for the year ended December 31, 2014 are provided in Note 6(21)F.

B. The subsidiary – Gash Point Co., Ltd. (originally known as Gash Plus (Taiwan) Co., Ltd.,) plans to issue 10 million new shares with par value of NTD14 (in dollars). Except for 15% of shares reserved for employees, the Company plans to purchase 8,500 thousand shares in the amount of $119,000.

C. The subsidiary – Gash Pay Co., Ltd. plans to issue 49 million new shares which will increase its capital by $490,000. The Company and its subsidiary – Gash Point Co., Ltd. plan to purchase 39 million shares in the amount of $390,000. The remaining 10 million shares are expected to be purchased by strategic investors. The Company will purchase any remainder if the strategic investors do not purchase all the 10 million shares.

D. In order to raise partial fund for purchase of office building in Neihu District, Taipei City, the Company plans to issue domestic secured convertible bonds for the first time. The expected issuance amount is $700,000 which is 7,000 shares and the bonds carry a face value of $100. The coupon rate is 0% covering a 3-year period of issuance.

12. <u>OTHERS</u>

(1) <u>Capital risk management</u>

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

(2) <u>Financial instruments</u>

A. Fair value information of financial instruments

Except those in the table below, book value of financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable-related party, and other accounts payable-related party) is approximate to their book value. Fair value information of financial instruments measured at fair value is provided in Note 12(3).

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 respectively and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

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

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

	December 31, 2014		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 603	31.718	$ 19,126
HKD:USD	50,323	0.1289	205,743
NTD:USD	337,667	0.0315	337,367
USD:RMB	501	6.2040	15,891
USD:HKD	881	7.7556	27,944
JPY:USD	431,134	0.0084	123,563
Non-monetary items			
USD:NTD	19,586	31.718	621,221
JPY:NTD	120,491	0.2652	31,954
HKD:USD	48,723	0.1289	199,201
EUR:USD	780	1.2154	30,088
Financial liabilities			

	December 31, 2014		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Monetary items			
USD:NTD	1,333	31.718	42,280
HKD:USD	17,313	0.1289	70,783

	December 31, 2013		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 2,698	29.95	$ 80,805
HKD:USD	35,305	0.1290	136,403
NTD:USD	429,174	0.0334	429,174
USD:RMB	500	6.0539	14,975
USD:HKD	603	7.7538	18,060
Non-monetary items			
USD:NTD	15,686	29.95	469,791
KRW:NTD	347,442	0.0284	9,867
HKD:USD	61,834	0.1290	238,899
JPY:USD	239,355	0.0095	66,113
EUR:USD	767	1.3786	31,669
Financial liabilities			
Monetary items			
USD:NTD	4,416	29.95	132,259
EUR:NTD	433	41.2876	17,878

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

	Year ended December 31, 2014		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 191	$ -
HKD:USD	1%	2,057	-
NTD:USD	1%	3,374	-
USD:RMB	1%	159	-
USD:HKD	1%	279	-
JPY:USD	1%	-	1,236
Financial liabilities			
Monetary items			
USD:NTD	1%	423	-
HKD:USD	1%	708	-

	Year ended December 31, 2013		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 808	$ -
HKD:USD	1%	1,364	-
NTD:USD	1%	4,291	-
USD:RMB	1%	150	-
USD:HKD		181	-
Financial liabilities			
Monetary items			
USD:NTD	1%	1,323	-
EUR:NTD	1%	18	-

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 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. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity would have increased/decreased by $6,410 and $589, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

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 rate for short-term borrowings of the Group are mainly floating rate and for long-term borrowings are fixed rate. During the years ended December 31, 2014 and 2013, the Group's borrowings at variable rate were denominated in NTD, RMB and JPY.

ii. At December 31, 2014 and 2013, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2014 and 2013 would have been $0 and $2 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 utilization 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. During the years ended December 31, 2014 and 2013, 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 on the maturity date.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Over 3 years
December 31, 2014			
Notes payable	$ 35	$ -	$ -
Accounts payable	1,495,672	-	-
Accounts payable-related parties	30,101	-	-
Other payables	366,411	-	-
Other payables-related parties	16,984	-	-

	Less than 1 year	Between 1 and 3 years	Over 3 years
December 31, 2013			
Short-term borrowings	$ 13,599	$ -	$ -
Notes payable	9,846	-	-
Accounts payable	1,194,537	-	-
Accounts payable-related parties	25,825	-	-
Other payables	367,433	-	-
Other payables-related parties	2,799	-	-
Bonds payable	16,744	21,222	-
Long-term borrowings (including current portion)	22	-	-

(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 December 31, 2014 and 2013:

December 31, 2014	Level 1	Level 2	Level 3	Total
Financial assets:				
Available-for-sale financial assets				
Equity securities	$ 123,563	$ 441,408	$ 76,016	$ 640,987

December 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,607	$ -	$ -	$ 1,607
Open-end fund	4,000	-	-	4,000
Available-for-sale financial assets				
Equity securities	-	-	58,928	58,928
	$ 5,607	$ -	$ 58,928	$ 64,535

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 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 required to fair value an instrument are observable, the instrument is included in level 2.

D. If one or more of the 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) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

F. The following table presents the changes in level 3 instruments as of December 31, 2014 and 2013.

	Equity securities	
	2014	2013
At January 1	$ 58,928	$ 66,805
Gains and losses recognised in profit or loss	(19,744)	(12,965)
Acquired in the period	56,000	5,088
Disposed of in the period	(10,000)	-
Effect of decrease in consolidated entities	(9,168)	-
At December 31	$ 76,016	$ 58,928

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 audited by investee companies' auditors.

A) Loans to others: None.

B) Provision of endorsements and guarantees to others:

The Company or investee companies		Parties being guaranteed												
Number (Note 1)	Name	Name	Relationship with the Company (Note 2)	Limit of guarantee for each party (Note 3)	Maximum outstanding guarantee amount for the year ended December 31, 2014	Outstanding guarantee amount at December 31, 2014	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
0	The Company	Gash Plus Company Ltd.	2	$ 472,781	$ 448,000	$ 448,000	$ 35,000	$ -	18.54%	$ 1,575,936	Y			
0	The Company	Global Pursuit Co., Ltd.	2	472,781	20,000	-	-	-	-	1,575,936	Y			
0	The Company	Seedo Games Co., Ltd.	2	472,781	30,000	-	-	-	-	1,575,936	Y			
0	The Company	Gamania Digital Entertainment (Japan) Co., Ltd.	3	472,781	124,770	-	-	-	-	1,575,936	Y			
0	The Company	Gamania Digital Entertainment (U.S.) Co., Ltd.	3	472,781	2,005	465	465	-	0.02%	1,575,936	Y			
0	The Company	Gash Plus (Hong Kong) Company Limited	3	472,781	47,577	47,577	-	-	1.97%	1,575,936	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 parent company to subsidiary, provision of endorsements / guarantees by subsidiary to parent company or provision of endorsements / guarantees to the party in Mainland China.

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

Unit: Thousands of New Taiwan Dollars

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	December 31, 2014			
				Number of shares	Book value	Percentage	Market value (Note 2)
The Company	NC Taiwan Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	2,100	$ 46,419	15	$ 46,419
〃	Gamemag Interactive Inc. - Stock	〃	〃	460	3,254	4	3,254
〃	Hagame Co., Ltd. - Stock	〃	〃	880	15,549	19.05	15,549
〃	XPEC Entertainment Inc.-Stock	〃	〃	3,200	441,408	3.80	441,408
Gamania Asia Investment Co., Ltd.	Compass Systems Corp. - Stock	〃	Available-for-sale financial assets - non-current	1,000	794	3.33	794
〃	Hualien Media Intl. Co., Ltd.- Stock	〃	〃	400	10,000	1.90	10,000
Gamania International Holdings Ltd.	Aeria Inc.	〃	〃	370	123,563	6.98	123,563

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS 39 'Financial instruments : recognition and measurement.'

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

D) Aggregate purchases or sales of the same securities reaching $300,000 or 20% of paid-in capital or more:

Investor	Marketable securities	General ledger account	Counterparty	Balance as at January 1, 2014		Addition		Disposal				Balance as at December 31, 2014	
				Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Book value	Gain (loss) on disposal	Number of shares	Amount
The Company	XPEC Entertainment Inc.-Stock	Available-for-sale financial assets – non-current	XPEC Entertainment Inc.	-	$ -	3,200,000	$441,408 (Note)	-	$ -	$ -	$ -	3,200,000	$ 441,408

Note: The Company has increased its investments in XPEC Entertainment Inc. by $368,320 in October 2014, and assesses the incremental book value of financial assets using fair value.

E) Acquisition of real estate in excess of $300,000 or 20% of capital: None.

F) Disposal of real estate in excess of $300,000 or 20% of capital: 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	($ 2,177,245)	(91)	Note 1	Note 1	Note 1	$ 498,095	90	Note 3
Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	Same parent company	Cost of goods sold	167,638	6	Note 2	Note 2	Note 2	(61,009)	(11)	
Gash Plus (Hong Kong) Company Limited	Gash Plus (Taiwan) Company Limited	Same parent company	Sales	(501,036)	(18)	Note 1	Note 1	Note 1	-	-	
〃	Jsdway Digital Technology Co., Ltd.	Associates	Sales	(792,851)	(29)	Note 1	Note 1	Note 1	167,162	38	

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 points valued cost and are negotiated based on different factors.

Note 3: Comprises the sale of on-line game, sales of services and other operating revenue.

H) Receivables from related parties in excess of $100,000 or 20% of capital:

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	$ 501,447	4.44	$ -	-	$ 242,941	$ 38,471	Notes 2, 3
Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	Affiliate	167,162	3.88	-	-	109,706	-	

Note 1: The subsequent collections represent collections from the balance sheet date to March 12, 2015.

Note 2: The Group considers Gash Plus (Taiwan) Company Limited to evaluate and to make provision of the allowance for doubtful accounts – non related party, and the amount is accounted for under Allowance for doubtful accounts – non related party in the consolidated financial statements.

Note 3: Includes other receivables.

I) Derivative financial instruments undertaken during the year ended December 31, 2014: None.

J) Significant inter-company transactions during the year ended December 31, 2014:

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	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	$ 55,772	Note 4	2.12%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Sales	2,177,245	Note 4	24.01%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Accounts receivable	498,095	Note 4	9.51%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Other payables	21,762	Note 4	0.82%
0	The Company	Mimigigi Digital Technology Co., Ltd.	1	Accounts receivable	25,751	Note 4	0.49%
0	The Company	Mimigigi Digital Technology Co., Ltd.	1	Other payables	20,339	Note 4	0.77%
0	The Company	Gamania Digital Entertainment (Europe) B.V.	1	Other payables	13,575	Note 4	0.51%
0	The Company	Seedo Games Co., Ltd.	1	Other operating costs	60,334	Note 4	0.81%
0	The Company	Seedo Games Co., Ltd.	1	On-line game cost	56,051	Note 4	0.75%
0	The Company	Seedo Games Co., Ltd.	1	Accounts payable	15,141	Note 4	0.57%
0	The Company	Seedo Games Co., Ltd.	1	Other payables	11,147	Note 4	0.42%
0	The Company	Seedo Games Co., Ltd.	1	Other operating revenue	16,235	Note 4	0.18%
0	The Company	Seedo Games Co., Ltd.	1	Service fee	12,893	Note 4	0.87%
0	The Company	Ants' Power Co., Ltd.	1	Customer service fee	88,970	Note 4	6.03%
0	The Company	Ants' Power Co., Ltd.	1	Other payables	26,361	Note 4	1.00%
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Service revenue	13,913	Note 4	0.15%
0	The Company	Unicube Co., Ltd.	1	Service fee	23,732	Note 4	1.61%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Accounts receivable	50,500	Note 4	0.96%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Other receivables	12,962	Note 4	0.25%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Service revenue	64,141	Note 4	0.71%

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)
1	Gash Plus (Taiwan) Company Limited	Punch Technologies Co., Ltd.	3	Cost of goods sold	20,688	Note 4	0.28%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Sales	10,795	Notes 4 and 6	0.12%
2	Playcoo Co.	Gamania Digital Entertainment (Europe) B.V.	3	License revenue	29,970	Notes 4 and 7	0.33%
2	Playcoo Co.	Gamania Digital Entertainment (Japan) Co. , Ltd.	3	License revenue	16,605	Notes 4 and 7	0.18%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Joymobee Entertainment Co., Ltd.	3	Accounts receivable	25,752	Note 4	0.49%
4	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Accounts payable	61,009	Note 4	2.31%
4	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Cost of goods sold	167,638	Note 4	2.24%
4	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Other receivables	20,214	Note 4	0.39%
4	Gash Plus (Hong Kong) Company Limited	Gash Plus (Taiwan) Company Limited	3	Sales	501,036	Note 4	5.52%
4	Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Sales	792,851	Notes 4 and 6	8.74%
5	Punch Technologies Co., Ltd.	Coco Digital Technology (H.K.) Co. , Ltd.	3	Service revenue	18,144	Note 4	0.20%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: There is no similar transaction to compare with. It will follow the agreed price and transaction terms.

Note 5: The disclosure standard reaches above $10,000 for the transaction amount.

Note 6: Jsdway Digital Technology Co., Ltd. is not the Group’s subsidiary starting from October 7, 2014, thus, the disclosure of inter-company transaction duration is January 1 to October 7, 2014.

Note 7: Playcoo Co., Ltd. is not the Group’s subsidiary starting from November 5, 2014, thus, the disclosure of inter-company transaction duration is January 1 to November 5, 2014.

(2) Information of investee companies (not including investees in Mainland China)

The information on Seedo Games Co., Ltd. and indirectly owned subsidiary, Gamania Digital Entertainment (H.K.) Co., Ltd., Gash Plus (Hong Kong) Company Limited, Jsdway Digital Technology Co., Ltd., Achieve Made International Ltd., Jollywiz Digital Technology Co., Ltd., Cyber Look Properties Ltd., Legion Technology (Shanghai) Co., Ltd., Jollywiz Digital Business Co., Ltd.was based on financial statements audited by each investee company's auditors. The others were audited by the Company's auditors.

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Note
				2014.12.31	2013.12.31	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	$2,369,434	$2,171,721	41,687,546	100	$ 580,238	($ 97,519)	($ 97,519)	Note 1
〃	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	211,433	211,433	3,863,490	72.08	47,204	(191)	(138)	
〃	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	115,549	115,549	6,500,000	100	72,893	6,455	6,455	
〃	Gamania Digital Entertainment Labuan Holdings, Ltd.	Malaysia	Investment holdings	38,994	38,994	1,330,000	100	1,448	(557)	(557)	
〃	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	210,000	6,330,440	100	2,365	(15,902)	(15,902)	
〃	Playcoo Co.	Taiwan	Design and research and development of software	-	183,839	-	-	-	(8,262)	(22,020)	Note 1
〃	Redgate Games Co. Ltd.	Taiwan	Design and research and development of software	297,000	262,000	29,700,000	100	1,460	(30,016)	(30,016)	
〃	Seedo Games Co. Ltd.	Taiwan	Software services	340,000	182,000	22,000,000	100	134,115	39,568	(46,923)	
〃	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51	7,261	635	324	
〃	Gash Plus (Taiwan) Company Limited	Taiwan	Software information and supply of electronic services	50,000	50,000	5,000,000	100	97,656	36,259	36,259	

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Note
				2014.12.31	2013.12.31	Number of shares	Percentage	Book value			
The Company	Global Pursuit Co., Ltd.	Taiwan	IP Commodities authorization	$ 40,000	$ 30,000	4,750,000	100	$ 3,279	($ 16,401)	($ 15,503)	
〃	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	20,000	20,000	2,000,000	33.33	180	553	184	
〃	RitwNow Inc.	Taiwan	E-sports and media broadcast Services	15,300	15,300	1,530,000	51	12,452	(1,438)	(733)	
〃	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100	26,414	16,414	16,414	
〃	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	56,800	56,800	1,277,101	30.94	8,879	(12,310)	(3,808)	
〃	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	30,000	-	3,000,000	23.08	29,307	(3,004)	(693)	
〃	WeBackers Co., Ltd.	Taiwan	Crowd funding	8,400	-	840,000	70.00	7,397	(1,432)	(1,003)	
〃	Coture New Media Co., Ltd.	Taiwan	TV programs and normal products	27,500	-	2,750,000	55.00	25,170	(4,236)	(2,330)	
〃	MadSugr Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	15,600	-	1,560,000	51.00	15,243	(700)	(357)	
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	80,625	80,625	1,457,920	27.20	17,664	(191)	(52)	
〃	Pri-One Marketing Co., Ltd.	Taiwan	Software services and sales	1,500	1,500	150,000	30	2,908	3,839	1,152	
〃	Mimigigi Digital Technology Co., Ltd.	Taiwan	Software services and sales	10,000	7,000	1,000,000	100	6,531	(398)	(279)	Note 3
〃	UniCube Co., Ltd.	Taiwan	Design and research and development of software.	4,000	7,000	400,000	40	5,670	6,588	4,612	Note 3
〃	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Software services and sales	22,211	-	2,443,432	44.08	22,284	8,645	73	Note 2

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Note
				2014.12.31	2013.12.31	Number of shares	Percentage	Book value			
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	U.S.A.	IP Commodities authorization	$ -	$ 41,558	-	-	$ -	($ 6,566)	$ -	Note 4
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	52,500	52,500	5,250,000	35.04	53,664	(5,649)	1,101	
〃	Punch Technologies Co., Ltd.	Taiwan	Software services and sales	40,000	10,000	4,000,000	100	8,870	(34,233)	(34,233)	
〃	Gash Plus (Japan) Co., Ltd.	Japan	Software information and supply of electronic services	41,874	41,874	600	100	31,954	(5,078)	(5,078)	
〃	Gash Plus (Hong Kong) Company Limited	Hong Kong	Software information and supply of electronic services	13,704	13,704	750,000	100	58,220	44,344	44,344	
〃	Gash Plus Korea Co., Ltd.	South Korea	Software information and supply of electronic services	11,662	11,662	138,268	100	4,869	(5,188)	(5,188)	
〃	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Software services and sales	-	22,298	-	-	-	8,645	3,737	Note 2
〃	Gash Media Digital Marketing Co., Ltd.	Taiwan	Software services and sales	8,000	-	800,000	80	7,878	(152)	(122)	
〃	Gash Pay Co., Ltd.	Taiwan	Third party payment	10,000	-	1,000,000	100	9,960	(40)	(40)	
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Hong Kong	Software services and sales	764	764	200,000	100	(18,685)	(20,957)	(20,957)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	2,307,179	2,084,926	72,740,359	100	580,009	(139,382)	(139,382)	
〃	Gamania R&D (HK) Holdings Limited	Hong Kong	Investment holdings	50,749	50,749	1,600,000	100	21,789	-	-	

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Note
				2014.12.31	2013.12.31	Number of shares	Percentage	Book value			
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Japan	Software services and sales	$ -	$ 695,454	-	-	$ -	($ 55,173)	($ 55,173)	Note 6
〃	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	1,322,131	1,322,131	41,683,936	98.85	218,449	(44,224)	(72,059)	
〃	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	274,995	274,995	8,670,000	100	68,432	(5,517)	(5,517)	
〃	Gamania Netherlands Holdings Cooperatief U.A.	Amsterdam	Investment holdings	186,619	186,619	-	100	30,088	533	533	
〃	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	125,286	125,286	30,701,775	100	3,275	(4,219)	(4,219)	
〃	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	10,145	10,145	992,000	40	4,075	(8,942)	(3,577)	
〃	Achieve Made International Ltd. (BVI)	BVI	Investment holdings	134,802	-	369,781	51	134,802	(28,898)	-	Note 5
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	E-commerce	475,629	-	46,000,000	100	202,618	19,075	-	Note 5
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	BVI	Investment holdings	90,477	-	3,000,000	100	45,706	65,671	-	Note 5
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	1,253,495	1,253,495	39,520,000	100	17,287	2,999	2,999	
〃	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	95,439	95,439	35,500,000	100	191,851	(46,992)	(46,992)	
〃	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Software services and sales	273,726	273,726	1,440	100	68,402	(5,381)	(5,381)	

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Note
				2014.12.31	2013.12.31	Number of shares	Percentage	Book value			
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Netherlands	Software services and sales	$ 173,475	$ 173,475	500,000	100	$ 30,088	$ 533	$ 533	

Note 1: The investment in Global Pursuit North America Co., Ltd. had been disposed on November 5, 2014.

Note 2: The subsidiaries, Gash Plus (Taiwan) Co., Ltd., has sold all its shares to another subsidiary, Gamania Asia Investment Co., Ltd., on December 25, 2014.

Note 3: The subsidiaries, Mimigigi Digital Technology Co., Ltd. and UniCube Co., Ltd. have swapped 30% of share capital of UniCube Co., for 30% of capital share of Mimigigi Digital Technology Co., Ltd. in December 2014.

Note 4: The investment in Global Pursuit North America Co., Ltd. had been disposed on April 15, 2014.

Note 5: As shares were obtained on December 29, 2014, investment gain (loss) was not recognised for the period.

Note 6: The investment in Global Pursuit North America Co., Ltd. had been disposed on October 24, 2014.

(3) Information on Investment in Mainland China

A) Basic information:

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014 (Note 4)	Remitted or received investment amount during the period: Remitted to Mainland China	Remitted or received investment amount during the period: Remitted back to Mainland China	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014 (Note 5)	Net income of investee for the year ended December 31, 2014	Ownership held by the Company (direct or indirect)	Investment loss recognized by the Company for the year ended December 31, 2014 (Note 2)	Book value of investment in Mainland China as of December 31, 2014 (Note 6)	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Remarks
Gamania Digital Entertainment (Beijing) Co., Ltd	Design and sales of software	$1,119,645	Investment through a holding company registered in a country other than Taiwan and Mainland China	$ 820,545	$ -	$ -	$ 820,545	$ 3,777	98.85%	$ 3,734	$ 10,644	$ -	Notes 1, 2 and 3
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	Investment through a holding company registered in a country other than Taiwan and Mainland China	47,577	-	-	47,577	-	-	-	-	-	Notes 3 and 4
Legion Technology (Shanghai) Co., Ltd.	E-commerce operations	65,022	Investment through a holding company registered in a country other than Taiwan and Mainland China	65,022	-	-	65,022	101,675	51.00%	-	72,209	-	Notes 5 and 6
Jollywiz Digital Business Co., Ltd.	E-commerce operations	24,634	Investment through a holding company registered in a country other than Taiwan and Mainland China	-	-	-	-	40,751	51.00%	-	3,277	-	Notes 5 and 6

Note 1: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the year ended December 31, 2014 was recognised based on the indirect weighted-average ownership percentage of 98.85% and on their financial statements for the corresponding period, which were audited.

Note 2: Paid-in capital of Gamania Digital Entertainment (Beijing) Co., Ltd. was USD 35,300 thousand or NTD 1,119,645 thousand based on 31.718 exchange rate.

Note 3: 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, 2014 and December 31, 2014 were USD 25,870 thousand or NTD 820,545 thousand and USD 1,500 thousand or NTD 47,577 thousand, based on 31.718 spot exchange rate at December 31, 2014, respectively.

Note 4: MoNokos Studio Technology Co., Ltd. completed liquidation proceedings on September 22, 2013.

Note 5: Investments in Legion Technology (Shanghai) Co., Ltd. and Jollyw Dgital Business Co., Ltd. were obtained on December 29, 2014, investment gain (loss) was not recognised for the period.

Note 6: Paid-in capital of Legion Technology (Shanghai) Co., Ltd. and Jollyw Dgital Business Co., Ltd. were USD 2,050 thousand or NTD 65,022 and RMB 5,000 thousand or NTD 24,634, based on $31.718 and $5.1125 spot exchange rate at December 31, 2014.

Company	Accumulated amount of investment in Mainland China as of December 31, 2014	Related investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Upper limit of investment in Mainland China
The Company (Note)	$ 868,122	$ 1,396,004	$ 1,558,957
Jollyw Dgital Technology Co., Ltd.	65,022	65,022	126,693

Note: The total investment amount approved by the Investment Commission, MOEA, was USD$44,013 thousand or NTD$1,396,004 based on 31.718 spot exchange rate at December 31, 2014.

B) The subsidiary in Mainland China and the Company have no significant transactions.

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 year ended December 31, 2014 and 2013 are as follows:

For the year ended December 31, 2014	Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	$ 2,343,979	$ 3,876,213	$ 2,577,590	$ 272,074	$ 9,069,856	
Inter-segment revenue	52,422	2,290,779	178,911	1,753,332	4,275,444	Note 1
Segment profit (loss)	93,265	36,259	44,344	(69,870)	103,998	
Segment profit (loss) includes:						
Depreciation and amortisation	(222,128)	(15,808)	(48)	(118,113)	(356,097)	
Income tax benefit (expense)	29,884	(6,572)	(8,676)	(9,071)	5,565	
Investment income (loss) accounted for using the equity method	(91,372)	4,335	-	85,206	(1,831)	Note 2

For the year ended December 31, 2013	Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	$ 2,783,884	$ 2,800,672	$ 1,943,493	$ 709,678	$ 8,237,727	
Inter-segment revenue	40,437	2,795,915	328,309	2,080,530	5,245,191	Note 1
Segment profit (loss)	73,921	39,113	77,599	(134,307)	56,326	
Segment profit (loss) includes:						
Depreciation and amortisation	(244,590)	(13,083)	(41)	(117,187)	(374,901)	
Income tax benefit (expense)	(25,404)	1,033	(15,366)	(19,668)	(59,405)	
Investment income (loss) accounted for using the equity method	(286,255)	37,734	-	218,784	(29,737)	Note 2

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

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

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

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

(5) Information on product and service

Details are provided in Note 6(22).

(6) Geographical information

Geographical information for the years ended December 31, 2014 and 2013 is as follows:

	Years ended December 31,			
	2014		2013	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 6,585,501	$ 634,926	$ 6,368,265	$ 807,514
Asia	2,466,515	96,859	1,860,050	196,873
Others	17,840	87,259	9,412	65,761
	$ 9,069,856	$ 819,044	$ 8,237,727	$ 1,070,148

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2014 and 2013 is as follows:

	Years ended December 31,			
	2014		2013	
	Revenue	Segment	Revenue	Segment
A	$ 1,873,130	Gash Plus (Taiwan) Company Limited	$ 1,712,344	Gash Plus (Taiwan) Company Limited
B	$ 1,375,647	Gash Plus (Taiwan) Company Limited	$ 1,079,181	Gash Plus (Taiwan) Company Limited
C	$ 985,526	Gash Plus (Taiwan) Company Limited		

Note:Players can choose on-line games launched by other companies via virtual prepaid cards sold by the Company, part of the sales amount will be reclassified into collections and payments transfer accounts. Accordingly, the Group is unable to calculate actual sales for each individual customer. As a result, the

Group discloses the individual distribution percentage of net distributions instead.

15. <u>INITIAL APPLICATION OF IFRS</u>

Not applicable as it is not the first-time adoption of IFRSs.