Soft-World International Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Soft-World International Corporation

Opinion

We have audited the accompanying consolidated financial statements of Soft-World International Corporation (the "Corporation") and its subsidiaries (collectively known as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows.

<u>Revenue Recognition - MyCard transactions</u>

The Corporation is an agent in its exclusive card (MyCard) transactions, and other financial liabilities are recognized at the time when MyCard points are sold. When the customers used MyCard in exchange for game points via the online platform, the Corporation recognized service revenue for the net amount after deducting receipts needed to be transferred to the related game operators. Please refer to Notes 4 and 20 to the parent company only financial statements for more details. We considered the risk of material misstatement of the recognition of revenue as the risk of not correctly recording the aforementioned game points after they have been exchanged for, and the recognized revenue might not be the net amount. Therefore, we focused on the correctness of revenue from MyCard transactions.

The main audit procedures which we performed included the following:

1. We understood and tested the effectiveness of internal control of the MyCard internet platform and the interface control between MyCard and the ERP system;

2. We implemented computer-assisted audit techniques to test the accuracy of the MyCard points which were deposited, exchanged and consumed on a sample basis;

3. We verified whether the timing of points exchange and consumption on the MyCard platform was the same as that recorded in the financial statements;

4. We tested the amounts transferred from other financial liabilities and the amount needed to be transferred to the related game operators, as well as confirmed if the service revenue recognized as a net amount was accurate.

Other Matter

We have also audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chiu-Yen Wu and Jia-Ling Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 25, 2020

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 5,001,765	39	$ 5,054,401	41
Notes receivable (Notes 4, 5 and 7)	4,071	-	8,160	-
Accounts receivable, net (Notes 4, 5, 7 and 30)	352,614	3	421,207	3
Other receivables (Notes 4, 7 and 30)	1,879,244	15	2,033,248	16
Current tax assets (Note 25)	7,441	-	1,045	-
Inventories (Notes 4 and 8)	27,939	-	39,644	-
Prepayments for royalty (Note 4)	82,474	-	76,503	1
Other financial assets - current (Notes 9 and 31)	3,589,585	28	2,962,060	24
Other current assets	219,323	2	184,672	2
Total current assets	11,164,456	87	10,780,940	87
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Note 10)	444,658	4	464,405	4
Investments accounted for using the equity method (Notes 4 and 12)	47,477	-	55,778	1
Property, plant and equipment (Notes 4, 13 and 31)	400,700	3	423,285	3
Right-of-use assets (Notes 3, 4 and 14)	49,794	1	-	-
Investment properties (Notes 4 and 15)	45,740	-	50,625	-
Goodwill (Note 4)	457,621	4	457,621	4
Other intangible assets (Notes 4 and 16)	33,273	-	61,320	1
Deferred tax assets (Notes 4, 5 and 25)	56,534	1	52,170	-
Prepayments for equipment	1,777	-	761	-
Refundable deposits	24,768	-	15,572	-
Net defined benefit assets (Notes 4 and 21)	20,571	-	18,653	-
Other financial assets - noncurrent (Notes 9 and 31)	18,595	-	11,005	-
Other noncurrent assets	2,715	-	3,558	-
Total noncurrent assets	1,604,223	13	1,614,753	13
TOTAL	$ 12,768,679	100	$ 12,395,693	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 31)	$ -	-	$ 105,059	1
Contract liabilities - current (Notes 4 and 23)	348,260	3	327,692	3
Notes payable (Notes 18 and 30)	14,609	-	23,163	-
Accounts payable (Notes 18 and 30)	276,324	2	321,668	3
Other payables (Notes 19, 21 and 30)	2,918,342	23	3,154,632	25
Current tax liabilities (Notes 4 and 25)	64,771	-	96,958	1
Lease liabilities - current (Notes 3, 4 and 14)	26,608	-	-	-
Other financial liabilities - current (Notes 3, 4 and 20)	1,745,827	14	1,414,588	11
Other current liabilities	34,429	-	39,739	-
Total current liabilities	5,429,170	42	5,483,499	44
NONCURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	56,021	-	27,349	-
Lease liabilities - noncurrent (Notes 3, 4 and 14)	23,141	-	-	-
Net defined benefit liabilities (Notes 4 and 21)	81,969	1	91,097	1
Guarantee deposits received	73,984	1	44,026	1
Total noncurrent liabilities	235,115	2	162,472	2
Total liabilities	5,664,285	44	5,645,971	46
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)				
Share capital	1,274,743	10	1,274,743	10
Capital surplus	1,753,876	14	1,744,934	14
Retained earnings				
Legal reserve	976,777	8	930,645	8
Special reserve	120,524	1	25,117	-
Unappropriated earnings	2,169,340	17	1,981,052	16
Total retained earnings	3,266,641	26	2,936,814	24
Other equity	127,806	1	163,078	1
Treasury shares	(449,303)	(4)	(449,303)	(3)
Total equity attributable to owners of the Corporation	5,973,763	47	5,670,266	46
NON-CONTROLLING INTERESTS (Note 22)	1,130,631	9	1,079,456	8
Total equity	7,104,394	56	6,749,722	54
TOTAL	$ 12,768,679	100	$ 12,395,693	100

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

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
NET OPERATING REVENUE (Notes 4, 23 and 30)	$ 5,828,654	100	$ 5,552,667	100
OPERATING COSTS (Notes 4, 8, 24 and 30)	2,647,559	45	2,451,317	44
GROSS PROFIT	3,181,095	55	3,101,350	56
OPERATING EXPENSES (Notes 24 and 30)				
Selling and marketing expenses	1,615,076	28	1,708,632	31
General and administrative expenses	349,864	6	359,175	6
Research and development expenses	417,410	7	418,388	8
Expected credit loss (Note 7)	41,217	1	29,329	-
Total operating expenses	2,423,567	42	2,515,524	45
OPERATING INCOME	757,528	13	585,826	11
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 24)	94,067	2	91,266	1
Other gains and losses (Note 24)	(5,742)	-	(8,385)	-
Finance costs (Note 24)	(2,555)	-	(2,755)	-
Share of loss of associates accounted for using the equity method (Notes 4 and 12)	(10,576)	-	(13,072)	-
Total non-operating income and expenses	75,194	2	67,054	1
PROFIT BEFORE INCOME TAX	832,722	15	652,880	12
INCOME TAX EXPENSE (Notes 4, 5 and 25)	166,779	3	180,861	4
NET PROFIT FOR THE YEAR	665,943	12	472,019	8
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	156	-	(7,915)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Note 22)	(21,335)	-	24,183	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	(31)	-	2,486	-
	(21,210)	-	18,754	1

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SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 22)	$ (25,832)	(1)	$ 12,213	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 22 and 25)	3,237	-	(2,956)	-
	(22,595)	(1)	9,257	-
Other comprehensive income (loss) for the year, net of income tax	(43,805)	(1)	28,011	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 622,138	11	$ 500,030	9
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 610,580	10	$ 461,322	8
Non-controlling interests	55,363	1	10,697	-
	$ 665,943	11	$ 472,019	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 574,999	10	$ 486,224	9
Non-controlling interests	47,139	1	13,806	-
	$ 622,138	11	$ 500,030	9
EARNINGS PER SHARE (Note 26)				
Basic	$ 5.00		$ 3.70	
Diluted	$ 4.98		$ 3.68	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation												
			Retained Earnings			Other Equity							
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Treasury shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2018	$ 1,274,743	$ 1,529,865	$ 888,889	$ 25,117	$ 1,821,197	$ (20,585)	$ 153,999	$ -	$ 133,414	$ -	$ 5,673,225	$ 745,716	$ 6,418,941
Effects of retrospective application and retrospective restatement	-	-	-	-	-	-	(153,999)	153,999	-	-	-	-	-
Equity at the beginning of the period after adjustments	1,274,743	1,529,865	888,889	25,117	1,821,197	(20,585)	-	153,999	133,414	-	5,673,225	745,716	6,418,941
Appropriation of 2017 earnings (Note 22)													
Legal reserve	-	-	41,756	-	(41,756)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(254,949)	-	-	-	-	-	(254,949)	-	(254,949)
	-	-	41,756	-	(296,705)	-	-	-	-	-	(254,949)	-	(254,949)
Cash dividends distributed by the subsidiaries (Note 22)	-	-	-	-	-	-	-	-	-	-	-	(21,007)	(21,007)
Net profit in 2018	-	-	-	-	461,322	-	-	-	-	-	461,322	10,697	472,019
Other comprehensive income (loss) in 2018, net of income tax	-	-	-	-	(4,762)	9,218	-	20,446	29,664	-	24,902	3,109	28,011
Total comprehensive income in 2018	-	-	-	-	456,560	9,218	-	20,446	29,664	-	486,224	13,806	500,030
Difference between consideration and carrying amount of subsidiaries acquired or disposed (Note 11)	-	59,351	-	-	-	-	-	-	-	-	59,351	-	59,351
Changes in percentage of ownership interests in subsidiaries	-	145,350	-	-	-	-	-	-	-	-	145,350	(145,350)	-
Acquisition of company's share by subsidiaries recognized as treasury share (Note 22)	-	-	-	-	-	-	-	-	-	(450,715)	(450,715)	(268,837)	(719,552)
Disposal of company's share by subsidiaries recognized as treasury share transactions (Note 22)	-	9	-	-	-	-	-	-	-	1,412	1,421	831	2,252
Adjustments of capital surplus for company's cash dividends received by subsidiaries (Note 22)	-	10,359	-	-	-	-	-	-	-	-	10,359	-	10,359
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	754,297	754,297
BALANCE AT DECEMBER 31, 2018	1,274,743	1,744,934	930,645	25,117	1,981,052	(11,367)	-	174,445	163,078	(449,303)	5,670,266	1,079,456	6,749,722
Appropriation of 2018 earnings (Note 22)													
Legal reserve	-	-	46,132	-	(46,132)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	95,407	(95,407)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(280,444)	-	-	-	-	-	(280,444)	-	(280,444)
	-	-	46,132	95,407	(421,983)	-	-	-	-	-	(280,444)	-	(280,444)
Cash dividends distributed by subsidiaries (Note 22)	-	-	-	-	-	-	-	-	-	-	-	(4,897)	(4,897)
Net profit in 2019	-	-	-	-	610,580	-	-	-	-	-	610,580	55,363	665,943
Other comprehensive income (loss) in 2019, net of income tax	-	-	-	-	(309)	(17,734)	-	(17,538)	(35,272)	-	(35,581)	(8,224)	(43,805)
Total comprehensive income (loss) in 2019	-	-	-	-	610,271	(17,734)	-	(17,538)	(35,272)	-	574,999	47,139	622,138
Adjustments of capital surplus for company's cash dividends received by subsidiaries (Note 22)	-	11,726	-	-	-	-	-	-	-	-	11,726	-	11,726
Changes in percentage of ownership interests in subsidiaries	-	(2,784)	-	-	-	-	-	-	-	-	(2,784)	2,784	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	6,149	6,149
BALANCE AT DECEMBER 31, 2019	$ 1,274,743	$ 1,753,876	$ 976,777	$ 120,524	$ 2,169,340	$ (29,101)	$ -	$ 156,907	$ 127,806	$ (449,303)	$ 5,973,763	$ 1,130,631	$ 7,104,394

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

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 832,722	$ 652,880
Adjustments for:		
Income and expenses		
Depreciation expenses	65,630	30,098
Amortization expenses	61,436	76,356
Expected credit loss recognized on accounts receivable	41,217	29,329
Finance costs	2,555	2,755
Interest income	(42,132)	(36,768)
Dividend income	(2,934)	(1,668)
Share of loss of associates accounted for using the equity method	10,576	13,072
Gain on disposal of property, plant and equipment	(514)	(288)
Impairment loss on non-financial assets	-	14,383
Loss on inventories	2,255	5,984
Others	1,341	2,086
Changes in operating assets and liabilities		
Notes receivable	4,089	33,200
Accounts receivable	42,337	(213,103)
Other receivables	141,679	33,638
Inventories	9,450	15,587
Prepayments for royalty	(5,971)	622
Other current assets	(34,651)	(5,111)
Contract liabilities	20,568	10,782
Notes payable	(8,554)	(17,053)
Accounts payable	(45,344)	144,299
Other payables	(234,113)	181,230
Other financial liabilities	331,239	236,458
Other current liabilities	(5,310)	(70,703)
Net defined benefit liabilities	(10,890)	(15,497)
Other noncurrent liabilities	-	(2,000)
Cash generated from operations	1,176,681	1,120,568
Interest received	40,130	35,737
Dividends received	14,660	12,027
Interest paid	(2,962)	(2,755)
Income tax paid	(177,848)	(141,452)
Net cash generated from operating activities	1,050,661	1,024,125
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(1,588)	-
Acquisition of investments accounted for using equity method	(2,275)	(3,959)
Increase in prepayments for long-term investments	-	(767)
Net cash inflow on acquisition of subsidiaries (Note 27)	-	48,205
Proceeds from disposal of subsidiaries	-	79,478

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SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Payments for property, plant and equipment	$ (10,755)	$ (4,792)
Proceeds from disposal of property, plant and equipment	2,347	1,169
Increase in refundable deposits	(10,321)	557
Decrease in refundable deposits	1,125	1,293
Acquisition of intangible assets	(33,477)	(90,694)
Proceeds from disposal of intangible assets	90	-
Increase in other financial assets	(645,815)	(599,662)
Decrease in other financial assets	10,700	638,010
Increase in other noncurrent assets	(532)	(1,885)
Net cash generated from (used in) investing activities	(690,501)	66,953
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(105,059)	(29,193)
Increase in guarantee deposits received	30,262	17,339
Decrease in guarantee deposits received	(304)	(1,852)
Repayment of the principal portion of lease liabilities	(34,731)	-
Cash dividends distributed	(280,444)	(254,949)
Acquisition of the parent company's shares held by subsidiaries	-	(450,715)
Proceeds from disposal of the parent company's shares held by subsidiaries	-	1,421
Changes in non-controlling interests	4,036	(78,182)
Net cash used in financing activities	(386,240)	(796,131)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(26,556)	(45,553)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(52,636)	249,394
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5,054,401	4,805,007
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 5,001,765	$ 5,054,401

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Soft-World International Corporation (the Corporation) was incorporated in July 1983, The Corporation is mainly engaged in the production, sales and provides agency services of entertainment and commercial software; editing, printing and publishing of game magazines; commercial advertising services; and purchase and sale of entertainment products and accessories of game software.

The Corporation's shares have been trading on the Taipei Exchange since March 2001.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 25, 2020.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group's accounting policies:

   1) IFRS 16 "Leases"

      IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

      <u>Definition of a lease</u>

      The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts, including property interest qualified as investment properties, were recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

a) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

b) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.

c) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

The lessee's weighted average incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 2.16%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 46,029
Add: Adjustments as a result of a different treatment of extension options	200
Less: Recognition exemption for short-term leases	(6,918)
Undiscounted amount on January 1, 2019	$ 39,311
Discounted amount using the incremental borrowing rate on January 1, 2019 (liabilities recognized on January 1, 2019)	$ 37,233

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Total effect on assets	$ -	$ 37,233	$ 37,233
Lease liabilities - current	$ -	$ 24,978	$ 24,978
Lease liabilities - noncurrent	-	12,255	12,255
Total effect on liabilities	$ -	$ 37,233	$ 37,233

The Group as lessor

The Group will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019. The application would not have a material impact on the Group's accounting of lessors.

2) IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

Upon initial application of IFRIC 23, the application would not have a material impact on the Group's assets, liabilities, and equity as of January 1, 2019.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

Amendments to IFRS 3 "Definition of a Business"

The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definitions of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed.

Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	**Effective Date Announced by IASB (Note)**
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Amendments to IFRS 10 and IAS 28

The amendments stipulate that, when the Group sells or contributes assets that constitutes a business (as defined in IFRS 3) to an associate or a joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary or a joint venture that contains a business but retains significant influence, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or a joint venture, i.e. the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or a joint venture, i.e. the Group's share of the gain or loss is eliminated.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 and attributed to the owners of the Corporation.

For details of subsidiaries about ownership and operating items refer to Note 11, Table 6 and Table 7.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

In a reverse acquisition, the accounting acquiree usually issues its equity shares to the owners of the accounting acquirer. Accordingly, the acquisition-date fair value of the consideration transferred by the accounting acquirer for its interest in the accounting acquiree is based on the number of equity interests the legal subsidiary would have had to issue to give the owners of the legal parent the same percentage of equity interest in the combined entity that results from the reverse acquisition. The fair value of the number of equity interests calculated in that way can be used as the fair value of consideration transferred in exchange for the acquiree.

Consolidated financial statements prepared following a reverse acquisition are required to reflect the assets and liabilities of the legal subsidiary recognized and measured at their pre-combination carrying amounts, and recognize the carrying amounts of retained earnings before the business combination. The assets and liabilities of the legal parent are recognized and measured in accordance with the fair value. The total shareholders' equity equals the pre-combination amount of the total shareholders' equity of the legal subsidiary added to the acquiree's combination consideration.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Group (including subsidiaries and associates operating in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

g. Inventories

Inventories consist of raw materials, finished goods and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

h. Prepayments for royalty

Prepayments for royalty are the prepaid amounts based on the contracts granted for games, and the Group calculates the amortization amounts in accordance with stored and used amounts for the games granted.

i. Investments accounted for using the equity method

The Group uses the equity method to account for its investments in associates. An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group’s share of the equity of associates.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group’s ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent that interests in the associate are not related to the Group.

j. Property, plant, and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Land is not depreciated.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant component is depreciated separately. If the lease term of an item of property, plant and equipment is shorter than its useful life, such asset is depreciated over its lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Freehold investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

l. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

m. Other intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

3) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

n. Impairment of tangible and intangible assets (excluding goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

o. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category of financial assets

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, other financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable and other receivables).

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for account receivable and other receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i Internal or external information show that the debtor is unlikely to pay its creditors.

ii When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

p. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The Group estimates sales returns and allowances based on historical experience and different contracts. To account for the transfer of products with a right of return, the Group recognizes revenue and in the meantime, the Group also recognizes refund liabilities (classified under other current liabilities) and rights to recover a product (classified under other current assets).

1) Sale of goods

Revenue from the sale of goods comes from sales of game points and game magazines. Based on the contract, when game points and game magazines, etc. are transferred to the customer, the customer has full discretion in the determination of prices, has the right of use, has the primary responsibility for sales to future customers, and assumes significant risk of ownership of the goods. The Group recognizes the related revenue and accounts receivable at the point of time the goods were transferred. Advance receipts of selling merchandise are recognized as "Contract liabilities".

2) Revenue from games operated by the Corporation

Refers to the revenue from game items redeemed by the consumers on the MyCard platform (generally known as 'virtual goods'), where revenue is recognized over time as the virtual goods are consumed or over the estimated usable period of the goods. If the sales obligations have not been fulfilled, the revenue should be deferred, and recognized under contract liabilities.

3) Rendering of services

a) Sales of exclusive card (MyCard) points issued by the Corporation, are recognized as "Other financial liabilities" before the specified goods or services are transferred to the customers. The Corporation is the agent in the MyCard transaction because the Corporation has not obtained control of the specified goods or services. When the consumers use MyCard in exchange for specified goods or services via the online platform, the Corporation recognizes service revenue for the net amount, after deducting receipts needed to be transferred to the related game operators.

b) Fee income from electronic payments and the third-party payments, is obtained from providing services to customers on online cash flow platforms and is recognized as revenue when cash has been received and the process of gaining profit has been mostly completed.

c) Other revenue from the rendering of services

Other services refer to the services of advertising design projects, etc. and revenue is recognized when the project has been completed and transferred to the customer. Advance receipts of services are recognized as "Contract liabilities".

4) Licensing revenue

When the nature of the Group's promises in granting the licences meets all of the following criteria which means providing the Group with the right to access the intellectual property, the Group shall recognize revenue over time. Conversely, if that granting of the licence is the right to access the intellectual property existing at point in time at which the licence is granted, the Group shall recognize revenue when the licence granted is transferred; Advance receipts of royalty is recognized as "Contract liabilities".

a) The customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights.

b) The rights granted by the licence directly expose the customer to any positive or negative effects of the entity's activities identified in the above the Group's activity; and

c) Those activities do not result in the transfer of a good or a service to the customer as those activities occur.

If those activities above are expected to significantly change the form or the functionality of customers' intellectual property, or customers' abilities to obtain benefit from the intellectual property is substantially derived from, or dependent upon, those activities, the Group's activity will significantly influence customers' rights.

Revenue is recognized when royalty is received based on used amounts.

q. Leases

<u>2019</u>

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

Leases are classified as operating leases whenever the terms of a lease do not transfer substantially all the risks and rewards of ownership to the lessee. As a lessor, rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Those unrealized will be deferred by the Group.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as the current year's expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination or the acquisition of a subsidiary, the tax effect is included in the accounting for business combination or investments in the subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Assessment of goodwill from business combinations

For the year ended December 31, 2018, the Group assessed and analyzed the independent appraiser's report about the allocation of the purchase price for Neweb Technologies. Because the analysis report is based on the related assumptions and estimations, if there is any change in the assumptions and estimations, there the amount of goodwill recognized might be impacted.

c. Income taxes

As of December 31, 2019 and 2018, the carrying amount of deferred tax assets in relation to unused tax losses and temporary differences was $538,343 thousand and $530,232 thousand, respectively.

The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is more than expected, material deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a recognition takes place.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	**2018**
Cash on hand	$ 1,780	$ 1,916
Bank deposits	2,478,230	2,933,391
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	2,521,755	2,119,094
	$ 5,001,765	$ 5,054,401

7. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2019	**2018**
Notes receivable		
Operating	$ 4,071	$ 8,160
Accounts receivable (including related parties) (Note 30)		
Operating - at amortized cost		
Gross carrying amount	$ 382,221	$ 431,814
Less: Allowance for impairment loss	(29,607)	(10,607)
	$ 352,614	$ 421,207
Other receivables (including related parties) (Note 30)		
Receivables for receipts under custody	$ 1,846,545	$ 2,044,859
Less: Allowance for impairment loss - receivables for receipts under custody	(62,164)	(67,643)
	1,784,381	1,977,216
Others	122,190	80,017
Less: Allowance for impairment loss - others	(27,327)	(23,985)
	94,863	56,032
	$ 1,879,244	$ 2,033,248

a. Notes receivable

At the end of the reporting period, there were no past due notes receivable on which the Group did not recognize an allowance for impairment loss.

The aging of notes receivable was as follows:

	December 31	
	2019	2018
90 days or less	$ 1,918	$ 6,129
91-180 days	861	1,527
181-365 days	861	504
Over 365 days	431	-
	$ 4,071	$ 8,160

The above aging analysis of notes receivable was based on the past due days from the invoice date.

b. Accounts receivable

The average credit period is 30 to 120 days. The Group adopted a policy of only dealing with entities that have good credit ratings, and obtain sufficient collateral if needed to mitigate the risk of financial loss from late payment. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions. The provision for loss allowance is further distinguished according to the Group's different customer base based on the aging of accounts receivable or past due status.

The Group writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the accounts receivable are past due. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix:

December 31, 2019

	Customers Without Signs of Default				Customers With Signs of Default	
	Less than 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Less than 90 Days	Total
Customer segment A						
Expected credit loss rate (%)	-	0-3	15-30	100	100	
Gross carrying amount	$282,228	$ 1,635	$ 2,610	$ 1,192	$ 25,790	$313,455
Loss allowance (lifetime ECLs)	-	-	(45)	(978)	(25,790)	(26,813)
Amortized cost	$282,228	$ 1,635	$ 2,565	$ 214	$ -	$286,642

Customer segment B	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due 270 Days	Total
Expected credit loss rate (%)	-	0-7	0-10	0-50	0-100	
Gross carrying amount	$ 46,671	$ 1,760	$ 2,352	$ 2,496	$ 15,487	$ 68,766
Loss allowance (lifetime ECLs)	(179)	-	(4)	(55)	(2,556)	(2,794)
Amortized cost	$ 46,492	$ 1,760	$ 2,348	$ 2,441	$ 12,931	$ 65,972

December 31, 2018

Customer segment A	Less than 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total
Expected credit loss rate (%)	-	0-3	15-30	100	
Gross carrying amount	$ 340,190	$ 2,475	$ 2,958	$ 1,846	$ 347,469
Loss allowance (Lifetime ECLs)	-	(21)	(382)	(1,692)	(2,095)
Amortized cost	$ 340,190	$ 2,454	$ 2,576	$ 154	$ 345,374

Customer segment B	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due 270 Days	Total
Expected credit loss rate (%)	-	0-14	0-24	0-50	0-100	
Gross carrying amount	$ 48,106	$ 6,394	$ 3,430	$ 3,596	$ 22,819	$ 84,345
Loss allowance (lifetime ECLs)	-	(187)	-	(779)	(7,546)	(8,512)
Amortized cost	$ 48,106	$ 6,207	$ 3,430	$ 2,817	$ 15,273	$ 75,833

Of the accounts receivable that were past due a s of December 31, 2019 and 2018, $18,173 thousand and $23,797 thousand were respectively due to the agreements signed between the Group and its counterparties. Set-off clauses are written into the agreements to reduce the Group's risk from the lenders' breach of contracts by giving them the right to offset the liabilities payable to the counterparties when credit events occur.

c. Other receivables

Receipts under custody receivables are from the sale of the Corporation's exclusive card (MyCard). The Corporation sold MyCard to customers by cooperative channels (see Note 23), and the average credit period of receivables for channels were 30 to 120 days.

The following table details the loss allowance of receipts under custody receivables for MyCard based on the Group's provision matrix:

December 31, 2019

	Less than 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 1,720,382	$ 48,675	$ 26,150	$ 51,338	$ 1,846,545
Loss allowance (Lifetime ECLs)	-	(1,466)	(9,360)	(51,338)	(62,164)
Amortized cost	$ 1,720,382	$ 47,209	$ 16,790	$ -	$ 1,784,381

December 31, 2018

	Less than 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 1,916,129	$ 46,481	$ 25,370	$ 56,879	$ 2,044,859
Loss allowance (Lifetime ECLs)	-	(1,387)	(9,377)	(56,879)	(67,643)
Amortized cost	$ 1,916,129	$ 45,094	$ 15,993	$ -	$ 1,977,216

The movements of the loss allowance of accounts receivable and other receivables were as follows:

	For the Year Ended December 31, 2019		
	Accounts Receivable	**Other Receivables**	**Total**
Balance at January 1	$ 10,607	$ 91,628	$ 102,235
Add: Impairment losses recognized in accounts receivable and other receivables	26,263	14,954	41,217
Less: Amounts written off	(7,256)	(16,464)	(23,720)
Foreign exchange gains and losses	(7)	(627)	(634)
Balance at December 31	$ 29,607	$ 89,491	$ 119,098

	For the Year Ended December 31, 2018		
	Accounts Receivable	**Other Receivables**	**Total**
Balance at January 1 per IAS 39	$ 64,828	$ 15,936	$ 80,764
Adjustment on initial application of IFRS 9	-	-	-
Adjustment on initial application of IFRS 15	(64,068)	64,068	-
Balance, at January 1 as adjusted	760	80,004	80,764
Add: From business combination	2,902	1,334	4,236
Impairment losses recognized in accounts receivable and other receivables	8,048	21,281	29,329
Less: Amounts written off	(1,100)	(10,718)	(11,818)
Foreign exchange gains and losses	(3)	(273)	(276)
Balance at December 31	$ 10,607	$ 91,628	$ 102,235

8. INVENTORIES

	December 31	
	2019	2018
Raw materials	$ 109	$ -
Finished goods	174	510
Merchandise	27,656	39,134
	$ 27,939	$ 39,644

The cost of inventories recognized as loss on inventory value was $57,445 thousand and $57,631 thousand for the years ended December 31, 2019 and 2018, respectively.

The operating costs for the years ended December 31, 2019 and 2018 was $2,647,559 thousand and $2,451,317 thousand, respectively, which includes the following:

	For the Year Ended December 31	
	2019	2018
Write-downs	$ 571	$ 2,875
Loss on disposal	1,684	3,225
Gain on physical inventories	-	(116)
	$ 2,255	$ 5,984

9. OTHER FINANCIAL ASSETS

	December 31	
	2019	2018
Pledged demand deposits (Note 31)	$ 352	$ 17,711
Pledged time deposits (Note 31)	37,000	10,110
Restricted trust deposits	855,477	722,322
Restricted bank deposits	18,595	11,005
Time deposits with original maturities of more than 3 months	2,696,756	2,211,917
	$ 3,608,180	$ 2,973,065
Current	$ 3,589,585	$ 2,962,060
Noncurrent	18,595	11,005
	$ 3,608,180	$ 2,973,065

The Group applied business trust to pledge the temporary receipts from third-party and electronic payments. To apply business trust, the Group signed a trust contract with the dedicated deposits account bank. For the proxy receipts and store-value received, the Group assigned a dedicated bank account as a trust account that was included in “Other financial assets - restricted trust deposits”.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT

	December 31	
	2019	2018
Listed shares	$ 130,995	$ 117,474
Emerging market shares	34,554	44,937
Private - placement shares of listed companies	261,189	239,152
Domestic unlisted shares	17,920	17,342
Foreign unlisted shares	-	45,500
	$ 444,658	$ 464,405

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2019	2018	Remark
The Corporation	Chinese Gamer International Corporation (Chinses Gamer)	Online game service	49	49	Note 1
	Soft-World Technology Pte. Ltd.	Trading of game software	100	100	
	Game Flier International Corporation	Online game service	98	98	
	Global Concept Corporation (Global Concept)	Investment related business	100	100	
	Game First International Corporation	Online game service	70	70	
	Efun International Co., Ltd. (Efun)	Investment related business	-	89	Note 7
	Zealot Digital International Corporation	Development and sales of game software	99	99	
	Zealot Digital Pte. Ltd. (Zealot)	Development and sales of game software	100	100	
	Soft-World International (Hong Kong) Corporation	Trading of game software	100	100	
	Dynasty International Information Co., Ltd.	Design, development and trading of computer software	86	86	
	Jorsen Technology Co., Ltd.	Information software services, wholesale and retail	-	-	Note 2
	Jhih Long Venture Capital Corporation (Zhi Long)	Investment related business	13	13	
	Sofaman Corporation (Sofaman)	Development and sales of game software	60	60	Note 8
	Re: Ad Media Corporation (Re: Ad)	Investment related business	-	51	Note 7
	Interactive Entertainment Technology Co., Ltd (Interactive Entertainment)	Investment related business	80	80	
	Fast Distributed Cloud Computing Co., Ltd	Retail, wholesale and service of information software	100	100	
	Neweb Technologies Corporation Ltd. (Neweb Technologies)	Information software wholesale and retail and electronic data supply services	50	50	Note 3
	Efun International corporation (Efun)	Information software and data processing services	80	89	Note 5

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2019	2018	Remark
	Long Xiang Investment Co., Ltd. (Long Xiang Investment)	Investment related business	44	44	
	CELAD Game Corporation (Celad)	Online game service	32	25	Note 6
	Re: Ad Media (Taiwan) Corporation (Re: Ad Media (Taiwan))	General advertising service	-	51	Notes 4 and 5
Chinesegamer International Corporation	Taichigamer (B.V.I.) Co., Ltd. (Taichigamer)	Investment related business	100	100	
	Walkfun International Corporation (Walkfun)	Network authentication, data processing services and electronic information providing services	100	100	
	CELAD Game Corporation (Celad)	Online game service	50	50	
	Super Game Corporation (Super Game)	Online game service	50	50	
	Jhih Long Venture Capital Corporation (Jhih Long)	Investment related business	13	13	
	Star Diamond Universal Corporation (Star Diamond)	Investment related business	100	100	
	Fun Bear Corporation (Fun Bear)	Online game service	50	50	
	Game Topia Co., Ltd. (Game Topia)	Online game service	50	56	
	Oriental Dragon Digital Co., Ltd. (Oriental Dragon)	Online game service	53	53	
	Long Xiang Investment Co., Ltd. (Long Xiang Investment)	Investment related business	30	30	
Taichigamer	Transasiagamer (B.V.I.) Co., Ltd. (Transasiagamer)	Investment related business	100	100	
Transasiagamer	You Long Online (Beijing) Technology Corporation (You Long Beijing Online)	Online game service	100	100	
Star Diamond	Dragon Gamer (Hong Kong) Co., Ltd. (Dragon Gamer)	Information service industry	100	100	
Game Topia	Game Topia (Hong Kong) Technology Corporation (Hong Kong Game Topia)	Online game service	100	100	
Game Flier	Soft-Orient Corporation (Soft-Orient)	Investment related business	100	100	
	Game Flier (Malaysia) Sdn. Bhd. (Malaysia Game Flier)	Game software development, manufacturing and selling	100	100	
	Mobile Flier International Corporation (Mobile Flier)	Development of smart mobile games	100	100	
Global Concept	Value Central Corporation (Value Central)	Investment related business	100	100	
	Fast Distributed Cloud Computing (Samoa) Co., Ltd. (Fast Distributed Cloud Computing)	Investment related business	-	-	Note 2
	Gamers Grande Corporation (Gamers Grande)	Investment related business	100	100	
Value Central	Picked United Development Ltd (Picked United Development)	Acquisition and authorization of game software	100	100	
Gamers Grande	Game Flier (Beijing) Sdn. Bhd. (Beijing Game Flier)	Information processing and supply services	100	100	
Game First	Game First Asia Pte. Ltd. (Game First Asia)	Online game service	-	-	Note 2
	Compete ! Games Interactive Entertainment Corporation	Agent and operation of sports type of games	100	100	
Efun	Efun International Corporation (Efun)	Information software and data processing services	-	-	Note 5
Soft - World (Hong Kong)	Soft-World International (Guangzhou) Corporation	Design, development, production and sales of computer hardware and software	100	100	Note 8
Re: Ad	Re: Ad Media Corporation. (Re: Ad)	General advertising service	-	-	Note 4
	Re: Ad Media (Hong Kong) Corporation. (Re: Ad)	General advertising service	-	-	Note 2
Interactive Entertainment	Interactive Entertainment Technologies Corporation (Interactive Entertainment)	Wholesale and service of information software	100	100	
Neweb Technologies	ezPay Taiwan Co., Ltd. (ezPay)	Third party payment service	100	100	Note 3
	Smartpath Digital Technology Co., Ltd (Smartpath Digital)	Third party payment service	-	-	Note 3
	Pay2go Corporation (Pay2go)	Third party payment service	-	-	Note 3
	Taiwanpay Co., Ltd.	Information software, data processing services, and third party payment service	-	-	Note 3

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2019	2018	Remark
	Newebpay Corporation. (Newebpay)	Electronic data supply service	100	100	Note 3
	CService Technology Co., Ltd.	Information software	100	-	
Efun International Corporation	Re: Ad Media Corporation. (Re: Ad)	General advertising service	100	-	Note 5
Long Xiang Investment	Jhih Long Venture Capital Corporation (Jhih Long)	Investment related business	74	74	

(Concluded)

1) A subsidiary with material non-controlling interests. Part of Chinese Gamer's shares were sold by the Corporation in 2018, and the disposal price was $79,478 thousand. The difference between the disposal price and book value was recognized as capital surplus - the difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal was $59,351 thousand.

2) Completed liquidation procedures in 2018.

3) The Corporation acquired 59% ownership of Neweb Technologies and its subsidiaries through a share swap of Smartpath Digital's and Pay2go's shares. The base date of the share swap was April 9, 2018, and Neweb Technologies and its subsidiaries had been included in the consolidated financial statements since that date. For related information, refer to Note 27: Business Combinations. Neweb Technologies passed the resolution of the merger of Pay2go and Taiwanpay Co., Ltd. in the board of directors' meeting on May 9, 2018; and the base date for the merger was September 19, 2018. After the merger, Pay2go (changed its name to ezPay on July 26, 2018 with the approval of the Ministry of Economic Affairs) was the surviving company and Taiwanpay Co., Ltd. was the dissolved company. On December 3, 2018, Neweb Technologies acquired ezPay's remaining outstanding shares by issuing new shares in exchange for ezPay's shares, and the Corporation's ownership of Neweb Technologies decreased from 59% to 50%. In addition, on November 22, 2018, the board of directors of Neweb Technologies passed the resolution of their merger with Smartpath Digital. The base date for the merger was December 24, 2018; with Neweb Technologies as the surviving company, and Smartpath Digital as the dissolved company.

4) Re: Ad Media (Taiwan) increased capital in cash of $20,000 thousand, and the Corporation subscribed for shares amounting to $10,200 thousand; In addition, the Corporation acquired the shares of Re: Ad Media (Taiwan) from the Corporation's subsidiary Re: Ad Media, and the invested amount was $3,894 thousand.

5) The Corporation subscribed for shares amounting to $70,952 thousand in June 2018, and acquired Efun International Corporation's shares from Efun International Co. Ltd. in the amount of $6,318 thousand in August 2018. Besides, in May 2019, Efun International Corporation issued new shares for $26,000 thousand in exchange for the Corporation's 51% equity in the subsidiary, Re: Ad Media (Taiwan), and the remaining outstanding shares of Re: Ad Media (Taiwan). As a result, Re: Ad Media (Taiwan) became Efun International Corporation's 100%-owned subsidiary, and the ownership percentage of the Corporation decreased from 89% to 80%.

6) CELAD increased capital in cash in June 2018, and the Corporation subscribed for the shares amounting to $7,500 thousand which was not based on the original shareholding percentage. As a result, the ownership percentage increased from 25% to 32%.

7) Completed liquidation procedures in 2019.

8) Sofaman and Soft-World (Guangzhou) have ceased operations and are currently closed.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%) December 31 2019	2018
Chinese Gamer International Corporation (%)	51	51

For information on the main operating locations and countries of incorporation of the subsidiaries, refer to Table 6.

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Non-controlling Interests December 31	
	2019	2018	2019	2018
Chinese Gamer International Corporation	$ 43,509	$ 23,419	$ 585,872	$ 552,754

The summarized financial information below represents amounts before intragroup eliminations.

Chinese Gamer International Corporation and Chinese Gamer International Corporation's subsidiaries

	December 31	
	2019	2018
Current assets	$ 991,823	$ 1,013,584
Noncurrent assets	481,199	416,469
Current liabilities	(157,721)	(212,261)
Noncurrent liabilities	(23,690)	(7,302)
Equity	$ 1,291,611	$ 1,210,490
Equity attributable to:		
The Corporation	$ 647,127	$ 615,473
Non-controlling interests of Chinese Gamer International Corporation	585,872	552,754
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	58,612	42,263
	$ 1,291,611	$ 1,210,490
Revenue	$ 662,928	$ 600,237
Profit for the year	$ 83,747	$ 51,146
Other comprehensive income (loss) for the year	(14,308)	(13,118)
Total comprehensive income for the year	$ 69,439	$ 38,028

(Continued)

	December 31	
	2019	2018
Profit attributable to:		
The Corporation	$ 35,340	$ 15,551
Non-controlling interests of Chinese Gamer International Corporation	43,509	23,419
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	4,898	12,176
	$ 83,747	$ 51,146
Comprehensive income attributable to:		
The Corporation	$ 28,472	$ 10,893
Non-controlling interests of Chinese Gamer International Corporation	36,323	14,929
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	4,644	12,206
	$ 69,439	$ 38,028
Cash flow		
Operating activities	$ 106,071	$ 19,741
Investing activities	(23,130)	464
Financing activities	(11,223)	14,000
Net cash inflow	$ 71,718	$ 34,205

(Concluded)

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Investments in associates - associates that are not individually material	$ 47,477	$ 55,778

Aggregate information of associates that are not individually material:

	December 31	
	2019	2018
The Group's share of:		
Total loss and other comprehensive loss for the year	$ (10,576)	$ (13,072)

The Group invested in Sky Touch Co., Ltd.'s shares, and recognized an impairment loss $11,087 thousand because of indications of impairment in 2018. In addition, the Group acquired the financial equity of We Can Financial in 2019 and 2018 for $2,275 thousand and $3,959 thousand, respectively, and as of the end of 2018, the amount of investments in We Can Financial was $26,234 thousand.

13. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2019

	Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Miscellaneous Equipment	Total
Cost								
Balance at January 1,2019	$ 215,321	$ 222,882	$ 282,142	$ 5,970	$ 11,538	$ 3,429	$ 32,102	$ 773,384
Additions	-	-	5,159	2,500	57	-	253	7,969
Disposals	-	-	(28,578)	(2,333)	(278)	(970)	(84)	(32,243)
Transfers to investment properties	-	(823)	-	-	-	-	-	(823)
Effect of foreign currency exchange differences	-	(1,454)	(4,161)	(177)	(40)	(8)	(73)	(5,913)
Balance at December 31, 2019	$ 215,321	$ 220,605	$ 254,562	$ 5,960	$ 11,277	$ 2,451	$ 32,198	$ 742,374
Accumulated depreciation								
Balance at January 1, 2019	$ -	$ 79,049	$ 247,873	$ 2,390	$ 10,355	$ 2,823	$ 7,609	$ 350,099
			(28,165)	(970)	(223)	(970)	(82)	(30,410)
Disposals	-	-						
Depreciation expenses	-	5,014	14,250	1,479	412	252	6,305	27,712
		(562)						(562)
Transfers to investment properties	-		-	-	-	-	-	
Effect of foreign currency exchange differences	-	(1,111)	(3,832)	(117)	(31)	(7)	(67)	(5,165)
Balance at December 31, 2019	$ -	$ 82,390	$ 230,126	$ 2,782	$ 10,513	$ 2,098	$ 13,765	$ 341,674
Carrying amounts at December 31, 2019	$ 215,321	$ 138,215	$ 24,436	$ 3,178	$ 764	$ 353	$ 18,433	$ 400,700

For the year ended December 31, 2018

	Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Miscellaneous Equipment	Total
Cost								
Balance at January 1,2018	$ 215,321	$ 223,562	$ 285,222	$ 9,014	$ 11,848	$ 2,787	$ 6,506	$ 754,260
Additions	-	-	5,446	1,238	955	451	21,820	29,910
Disposals	-	-	(62,930)	(4,264)	(1,428)	(579)	(2,444)	(71,645)
Reclassification	-	-	1,142	-	(2,821)	(1,953)	231	(3,401)
Acquisitions through business combinations	-	-	55,295	-	2,976	2,714	6,012	66,997
Effect of foreign currency exchange differences	-	(680)	(2,033)	(18)	8	9	(23)	(2,737)
Balance at December 31, 2018	$ 215,321	$ 222,882	$ 282,142	$ 5,970	$ 11,538	$ 3,429	$ 32,102	$ 773,384
Accumulated depreciation								
Balance at January 1, 2018	$ -	$ 74,559	$ 265,244	$ 5,331	$ 11,242	$ 2,432	$ 5,323	$ 364,131
Disposals	-	-	(62,487)	(4,218)	(1,372)	(243)	(2,444)	(70,764)
Depreciation expenses	-	5,039	15,460	1,275	582	691	3,530	26,577
Reclassification	-	-	967	-	(2,146)	(1,642)	121	(2,700)
Acquisitions through business combinations	-	-	30,490	-	2,043	1,577	1,098	35,208
Effect of foreign currency exchange differences	-	(549)	(1,801)	2	6	8	(19)	(2,353)
Balance at December 31, 2018	$ -	$ 79,049	$ 247,873	$ 2,390	$ 10,355	$ 2,823	$ 7,609	$ 350,099
Carrying amounts at December 31, 2018	$ 215,321	$ 143,833	$ 34,269	$ 3,580	$ 1,183	$ 606	$ 24,493	$ 423,285

The reconciliation of additions and the payments from the statements of cash flows of the above items of property, plant and equipment is as follows:

	For the Year Ended December 31	
	2019	**2018**
Investing activities impacting cash and non-cash items at the same time		
Additions in property, plant and equipment	$ 7,969	$ 29,910
Increase (decrease) in prepayments for equipment (including acquisitions through business combinations)	1,016	(22,838)
Decrease (increase) in payables for equipment	1,770	(2,280)
Cash payments for purchasing property, plant and equipment	$ 10,755	$ 4,792

The following items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-55 years
Equipment	2-10 years
Transportation Equipment	3-5 years
Office Equipment	3-5 years
Leasehold Improvements	3-5 years
Miscellaneous Equipment	3-5 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Buildings	$ 49,794

	For the Year Ended December 31, 2019
Additions to right-of-use assets	$ 47,247
Depreciation of right-of-use assets	
Buildings	$ 34,404

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 26,608
Noncurrent	$ 23,141

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Buildings (%)	2.11-2.63

c. Material lease activities and terms

The Group's leases relate to buildings with lease terms successively expiring in May 2023. The Group is able to renew the leases when they expire.

d. Other lease information

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 9,456
Expenses relating to low-value asset leases	$ 2,791
Total cash outflow for leases	$ 48,112

The Group has elected to apply the recognition exemption for leases which qualify as short-term leases and low-value asset leases and thus did not recognize right-of-use assets and lease liabilities for these leases.

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

2018

	December 31, 2018
Not later than 1 year	$ 32,827
Later than 1 year and not later than 3 years	13,202
	$ 46,029

15. INVESTMENT PROPERTIES

For the year ended December 31, 2019

	Buildings
Cost	
Balance at January 1, 2019	$ 102,506
Transfers from property, plant and equipment	823
Effect of foreign currency exchange differences	(3,479)
Balance at December 31, 2019	$ 99,850
Accumulated depreciation	
Balance at January 1, 2019	$ 51,881
Transfers from property, plant and equipment	562
Depreciation expenses	3,514
Effect of foreign currency exchange differences	(1,847)
Balance at December 31, 2019	$ 54,110
Carrying amount at December 31, 2019	$ 45,740

For the year ended December 31, 2018

	Buildings
Cost	
Balance at January 1, 2018	$ 102,869
Effect of foreign currency exchange differences	(363)
Balance at December 31, 2018	$ 102,506
Accumulated depreciation	
Balance at January 1, 2018	$ 48,523
Depreciation expenses	3,521
Effect of foreign currency exchange differences	(163)
Balance at December 31, 2018	$ 51,881
Carrying amount at December 31, 2018	$ 50,625

The investment properties were leased out for 1 to 3 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods. However, under equal terms, the Group has the priority right of lease.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2019 was as follows:

	December 31, 2019
Year 1	$ 17,024
Year 2	10,758
Year 3	2,507
	$ 30,289

The future minimum lease payments of non-cancellable operating lease commitments as of December 31 2018 are as follows:

	December 31, 2018
Not later than 1 year	$ 13,913
Later than 1 year and not later than 5 years	4,632
	$ 18,545

Investment properties are depreciated using the straight-line method over their estimated useful lives which average 20 to 30 years.

The fair value of investment properties as of December 31, 2019 and 2018 was $500,000 thousand and $630,000 thousand, respectively. Management of the Group had assessed and determined the fair value based on market evidence of transaction prices for the nearby housing market.

16. OTHER INTANGIBLE ASSETS

For the year ended December 31, 2019

	Computer Software	Copyright and Royalty for Game Software	Total
Cost			
Balance at January 1, 2019	$ 191,062	$ 25,558	$ 216,620
Additions	19,317	14,160	33,477
Disposals	(104)	-	(104)
Write-off	(108,451)	(33,942)	(142,393)
Effect of foreign currency exchange differences	(45)	-	(45)
Balance at December 31, 2019	$ 101,779	$ 5,776	$ 107,555
Accumulated amortization			
Balance at January 1, 2019	$ 144,308	$ 10,992	$ 155,300
Amortization expenses	36,660	24,776	61,436
Disposals	(16)	-	(16)
Write-off	(108,451)	(33,942)	(142,393)
Effect of foreign currency exchange differences	(45)	-	(45)
Balance at December 31, 2019	$ 72,456	$ 1,826	$ 74,282
Carrying amount at December 31, 2019	$ 29,323	$ 3,950	$ 33,273

For the year ended December 31, 2018

	Computer Software	Copyright and Royalty for Game Software	Total
Cost			
Balance at January 1, 2018	$ 91,264	$ 20,158	$ 111,422
Acquisitions through business combinations	46,988	-	46,988
Additions	68,440	22,254	90,694
Write-off	(15,908)	(16,854)	(32,762)
Reclassification	304	-	304
Effect of foreign currency exchange differences	(26)	-	(26)
Balance at December 31, 2018	$ 191,062	$ 25,558	$ 216,620
Accumulated amortization			
Balance at January 1, 2018	$ 80,409	$ 7,702	$ 88,111
Acquisitions through business combinations	23,452	-	23,452
Amortization expenses	56,212	20,144	76,356
Write-off	(15,908)	(16,854)	(32,762)

(Continued)

	Computer Software	Copyright and Royalty for Game Software	Total
Reclassification	$ 167	$ -	$ 167
Effect of foreign currency exchange differences	(24)	-	(24)
Balance at December 31, 2018	$ 144,308	$ 10,992	$ 155,300
Carrying amount at December 31, 2018	$ 46,754	$ 14,566	$ 61,320

(Concluded)

The above intangible assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
Copyright and royalty for game software	1-3 years

17. SHORT-TERM BORROWINGS - December 31, 2018

Unsecured borrowings	December 31 2018
Secured borrowings	
Other loans - with an interest rate of 4.5% per annum	$ 9,898
Unsecured borrowings	
Credit borrowings - with an interest rate of 1.5% per annum	75,000
Loans from shareholders - with an interest rate of 2% per annum	20,161
	$ 105,059

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Group’s notes payable and accounts payable are generated from operating activities. The average credit period on purchases of goods is around 30 to 120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms, and therefore there was no interest charged on the outstanding balance.

19. OTHER PAYABLES

	December 31	
	2019	2018
Payables for receipts under custody	$ 2,252,968	$ 2,327,030
Payables for circulation	157,526	188,726
Payables for salaries or bonuses	141,636	138,497
Payables for agency transactions	114,812	235,807
Payables for compensation of employees, board of directors and supervisors	52,846	44,143

(Continued)

	December 31	
	2019	2018
Payables for annual leave	$ 21,212	$ 20,403
Payables for royalty	10,058	17,466
Others	167,284	182,560
	$ 2,918,342	$ 3,154,632

(Concluded)

Payables for receipts under custody are receipts needed to be transferred to the game operators as the Group provides services for the usage of MyCard online platform and from the sale of points.

20. OTHER FINANCIAL LIABILITIES - CURRENT

	December 31	
	2019	2018
Temporary receipts from the sale of MyCard 1)	$ 714,624	$ 771,550
Temporary receipts from third-party payments and electronic payments 2)	1,031,203	643,038
	$ 1,745,827	$ 1,414,588

1) The Group's sale of MyCard is recognized as an agency transaction under MyCard transactions. The temporary receipts from the sale of MyCard is recognized as “Other financial liabilities - current”.

2) The Group’s payments unpaid and unwithdrawn from the buyer and seller through third-party transactions and proxy receipts, receipts under custody and store-value received through electronic payments are all included in “Other financial liabilities - current”.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and domestic subsidiaries in the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

Foreign subsidiaries in the Group are required to make contributions to the central provident fund of the country of operations and retirement insurance for being a part of the state-managed retirement benefit plan. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plans adopted by the Corporation and domestic subsidiaries of the Group are in accordance with the Labor Standards Law of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation and domestic subsidiaries of the Group contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2019	**2018**
Present value of defined benefit obligation	$ 161,673	$ 161,719
Fair value of plan assets	(100,159)	(89,139)
Deficit	61,514	72,580
Net defined benefit assets	20,571	18,653
Other payables	(116)	(136)
Net defined benefit liabilities	$ 81,969	$ 91,097

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2018	$ 145,114	$ (78,387)	$ 66,727
Service cost			
Current service cost	1,034	-	1,034
Gain on settlement	(7,650)	-	(7,650)
Interest expense (income)	2,325	(1,316)	1,009
Recognized in profit or loss	(4,291)	(1,316)	(5,607)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,195)	(2,195)
Actuarial loss - changes in demographic assumptions	2,211	-	2,211
Actuarial loss - changes in financial assumptions	3,567	-	3,567
Actuarial loss - experience adjustments	4,332	-	4,332
Recognized in other comprehensive income (loss)	10,110	(2,195)	7,915
Contributions from the employer	-	(9,924)	(9,924)
Benefits paid	(10,209)	10,209	-
Business combinations	20,995	(7,526)	13,469
Balance at December 31, 2018	161,719	(89,139)	72,580

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Service cost			
Current service cost	$ 1,013	$ -	$ 1,013
Gain on settlement	(946)	-	(946)
Interest expense (income)	1,991	(1,150)	841
Recognized in profit or loss	2,058	(1,150)	908
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,955)	(2,955)
Actuarial loss - changes in demographic assumptions	2,860	-	2,860
Actuarial loss - changes in financial assumptions	7,810	-	7,810
Actuarial loss - experience adjustments	(7,871)	-	(7,871)
Recognized in other comprehensive income (loss)	2,799	(2,955)	(156)
Contributions from the employer	-	(11,818)	(11,818)
Benefits paid	(4,903)	4,903	-
Balance at December 31, 2019	$ 161,673	$ (100,159)	$ 61,514

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk

The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

A decrease in the bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate(s)	0.750-1.000	1.125-1.500
Expected rate(s) of salary increase	2.250-3.000	2.250-3.000

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rate(s)		
Increase 0.25%	$ (5,312)	$ (5,247)
Decrease 0.25%	$ 4,556	$ 5,483
Expected rate(s) of salary increase		
Increase 0.25%	$ 4,395	$ 5,328
Decrease 0.25%	$ (5,184)	$ (5,127)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
Expected contributions to the plans for the next year	$ 2,620	$ 2,350
Average duration of the defined benefit obligation	10.5-19.8	11.5-20.5

22. EQUITY

a. Ordinary share capital

	December 31	
	2019	2018
Number of shares authorized (in thousands)	180,000	180,000
Shares authorized	$ 1,800,000	$ 1,800,000
Number of shares issued and fully paid (in thousands)	127,474	127,474
Shares issued	$ 1,274,743	$ 1,274,743

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and the right to dividends.

b. Capital surplus

	December 31	
	2019	2018
May be used to offset deficits, distributed as cash dividends or transferred to share capital (see 1 below)		
Issuance of ordinary shares	$ 1,229,758	$ 1,229,758
Conversion of bonds	245,975	245,975
Treasury share transactions	59,810	48,084
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	59,351	59,351
May be used to offset deficits only (see 2 below)		
Changes in percentage of ownership interests in subsidiaries	152,027	154,811
Changes in percentage of ownership interests in associates	6,955	6,955
	$ 1,753,876	$ 1,744,934

1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries/ associates resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries/associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, until the legal reserve equals the Corporation's paid-in capital. Besides, the profit shall be set aside or reversed as a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 24(f) Employees' compensation and remuneration of directors and supervisors.

The dividends policy of the Corporation considers expanding the scale of operations and developing research plans, based on the overall environment and the features of the industry in order to pursue sustainable operations and long-term benefits for shareholders. The dividends to shareholders shall be not less than 15% of the distributable earnings each year, but if the accumulated distributable earnings is less than 25% of the Corporation's paid-in capital, the Corporation should not make an appropriation for dividends. The dividends to shareholders can be paid in cash or issued as shares, but cash dividends shall be not less than 10% of the total dividends.

Legal reserve may be used to offset a deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490, Rule No. 1030006415 issued by FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following

Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2018 and 2017 which were proposed and approved in the shareholders' meetings on June 18, 2019 and June 14, 2018, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2018	2017	2018	2017
Legal reserve	$ 46,132	$ 41,756		
Special reserve	95,407	-		
Cash dividends	280,444	254,949	$ 2.20	$ 2.00
	$ 421,983	$ 296,705		

The appropriation of earnings for 2019 had been proposed by the board of directors on March 25, 2020 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 61,058	
Reversal of special reserve	(89,540)	
Cash dividends	509,897	$ 4.00
	$ 481,415	

The appropriation of earnings for 2019 are subject to the resolution of the shareholders in the shareholders' meeting to be held in June 2020.

d. Special reserve

Accumulated adjusted amounts on translating the financial statements that were transferred to retained earnings on the initial adoption of IFRSs was $25,117 thousand, and the Group had set aside an equal amount of special reserve. In June 2019, the shareholders approved the recognition of the difference between the market price (lower than the carrying amount) and the carrying amount of the shares of the Corporation held by its subsidiaries at the end of 2018 of $95,407 thousand as special reserve, which was calculated based on the Corporation's combined shareholding ratio. Should the market price increase in the future, the increase can be subsequently reversed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2019	2018
Balance, beginning of year	$ (11,367)	$ (20,585)
Effect of change in tax	-	(783)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(20,971)	12,174
Related income tax arising from exchange differences	3,237	(2,173)
Balance, end of year	$ (29,101)	$ (11,367)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2019	2018
Balance, beginning of year	$ 174,445	$ 153,999
Recognized for the year		
Unrealized gain - equity instruments	(17,538)	20,446
Balance, end of year	$ 156,907	$ 174,445

f. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Balance, beginning of year	$ 1,079,456	$ 745,716
Share in profit for the period	55,363	10,697
Other comprehensive income (loss) for the year		
Exchange differences on translating the financial statements of foreign operations	(4,861)	39
Unrealized gain on financial assets at FVTOCI	(3,797)	3,737
Actuarial loss on defined benefit plans	543	(1,029)
Income tax relating to actuarial gain	(109)	363
Cash dividends distributed by subsidiaries	(4,897)	(21,007)
Acquisitions through business combinations	-	398,115
Shares held by the subsidiaries considered as treasury shares	-	(268,006)
Increase in non-controlling interests	8,933	210,831
Balance, end of year	$ 1,130,631	$ 1,079,456

g. Treasury shares

	Thousand Shares			December 31	
Purpose of Treasury Shares	**Beginning of the Year**	**Addition**	**Reduction**	**Thousand Shares**	**Book Value**
For the year ended December 31, 2019					
Shares of the Corporation held by subsidiaries	5,330	-	-	5,330	$ 449,303
For the year ended December 31, 2018					
Shares of the Corporation held by subsidiaries	-	5,347	17	5,330	$ 449,303

The Corporation's shares acquired and held by subsidiaries for the purpose of investment are accounted for as treasury shares.

For the year ended December 31, 2018, a total of 27 thousand shares of the Corporation held by its subsidiaries were sold for proceeds of $2,252 thousand. Calculated by the shareholding percentage, the proceeds of treasury shares sold was $1,421 thousand, and after deducting book values, the remainder amounted to $9 thousand, recognized as capital surplus.

As of December 31, 2019 and 2018, the market value of the treasury shares calculated based on the combined shareholding percentage was $443,436 thousand and $353,896 thousand, respectively.

23. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2019	2018
Rendering of services	$ 4,150,710	$ 3,676,767
Sale of goods	594,997	807,871
Operation of games	816,049	800,541
Licensing revenue	266,898	267,488
	$ 5,828,654	$ 5,552,667

1) Rendering of services

Revenue from the rendering of services includes revenue from services rendered for the usage of the MyCard online platform and sale of points, fee income from electronic and third-party payment and other revenue from the rendering of services.

a) The exclusive card (MyCard) issued by the Corporation provides game operators an online platform and services to sell game points directly to the consumers through the MyCard network or other distributors (e.g. convenience stores, supermarkets and telecommunication companies). Sales of MyCard is recognized as "Other financial liabilities - noncurrent". When the consumers use MyCard in exchange for specified goods or service via the online platform, the Corporation recognizes service revenue for the net amount after deducting receipts needed to be transferred to the related game operators.

b) Fee income of electronic and third-party payments result from providing online cash flow platform services. The Group will transfer the payments which are collected from consumers through its cash flow platform to the retailers after deducting the agreed fee.

c) Other service revenue results from providing the advertising design services, etc.

2) Sale of goods

The game points and magazines are sold at the contract price through the online platform or different retailers (e.g. brick-and-mortar stores and convenience stores etc.).

The Group’s customary business practices allow customers to return certain goods. The refund liability (classified under other current liabilities) is estimated based on the historical average return rate and the related right to recover a product (classified under other current assets) is recorded accordingly.

3) Revenue from games operated by the Group

Revenue from games operated by the Group is recognized over the period in which virtual goods are consumed or over the estimated usable period of the virtual goods based on consumers’ redemption of the virtual goods of games operated by the Group on the online platform.

4) Licensing revenue

The Group authorizes some intellectual property rights of the self-developed games to other game developers for cooperation and development. In addition to the non-refundable premiums collected at the time of signing of contracts, subsequent follow-up fees are stipulated by the usage amount agreed in the contract.

b. Contract balances

	December 31, 2019	December 31, 2018	January 1, 2018
Notes receivable, accounts receivable, and other receivables (receivables under custody) (including related parties) (Note 7)	$ 2,141,066	$ 2,406,583	$ 2,289,850
Contract liabilities			
Advance receipts of services	$ 97,692	$ 145,157	$ 142,643
Royalty fee for games	119,304	114,317	123,808
Others	131,264	68,218	48,118
	$ 348,260	$ 327,692	$ 314,569

The changes in the contract liability balances primarily result from the timing difference between the Group’s fulfilment of its performance obligations and the customer’s payment.

c. Disaggregation of revenue

Refer to Note 35 for information about the disaggregation of revenue.

24. PROFIT BEFORE INCOME TAX

a. Other operating income

	For the Year Ended December 31	
	2019	2018
Interest income	$ 42,132	$ 36,768
Rental income	28,626	27,848
Others	23,309	26,650
	$ 94,067	$ 91,266

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Net foreign exchange gains	$ 3,562	$ 18,621
Gain on disposal of property, plant and equipment	514	288
Impairment loss (Note 12)	-	(14,383)
Loss on miscellaneous disbursements	(9,818)	(12,911)
	$ (5,742)	$ (8,385)

c. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on bank loan	$ 1,045	$ 1,472
Interest on lease liabilities	1,134	-
Other finance costs	376	1,283
	$ 2,555	$ 2,755

d. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	$ 27,712	$ 26,577
Right-of-use assets	34,404	-
Investment properties	3,514	3,521
Other intangible assets	61,436	76,356
	$ 127,066	$ 106,454
An analysis of depreciation by function		
Operating costs	$ 330	$ 265
Operating expenses	61,786	26,312
Non-operating expenses	3,514	3,521
	$ 65,630	$ 30,098
An analysis of amortization by function		
Operating costs	$ 24,784	$ 20,148
Operating expenses	36,652	56,208
	$ 61,436	$ 76,356

e. Employee benefits

	For the Year Ended December 31	
	2019	2018
Short-term employee benefits	$ 1,005,497	$ 969,588
Post-employment benefits		
Defined contribution plans	39,414	40,320
Defined benefit plans (Note 21)	908	(5,607)
	40,322	34,713
Employee benefits expense	$ 1,045,819	$ 1,004,301
An analysis by function		
Operating costs	$ 27,614	$ 27,713
Operating expenses	1,018,205	976,588
	$ 1,045,819	$ 1,004,301

f. Employees' compensation and remuneration of directors and supervisors

According to the Articles of Incorporation of the Corporation, the Corporation accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and the remuneration of directors and supervisors for the years ended December 31, 2019 and 2018, which were approved by the Corporation's board of directors on March 25, 2020 and March 21, 2019, respectively, are as follows:

	For the Year Ended December 31	
	2019	**2018**
Accrual rate		
Employees' compensation (%)	5	5
Remuneration of directors and supervisors (%)	1	1
Amount		
Employees' compensation	$ 39,778	$ 31,281
Remuneration of directors and supervisors	7,956	6,256

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

For the years ended December 31, 2018 and 2017, there is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gains (losses) on foreign currency exchange

	For the Year Ended December 31	
	2019	**2018**
Foreign exchange gains	$ 16,755	$ 25,149
Foreign exchange losses	(13,193)	(6,528)
Net gain	$ 3,562	$ 18,621

25. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	$ 132,673	$ 142,131
Income tax on unappropriated earnings	1,866	13,173
Adjustments for prior years	4,726	16,929
	139,265	172,233
Deferred tax		
In respect of the current year	27,514	14,191
Effect of tax rate changes	-	(5,563)
	27,514	8,628
Income tax expense recognized in profit or loss	$ 166,779	$ 180,861

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2019	2018
Profit before income tax	$ 832,722	$ 652,880
Income tax expense calculated at the statutory rate	$ 185,555	$ 128,900
Nondeductible expenses in determining taxable income	110	14,466
Tax-exempt income	(14,184)	(3,841)
Realized investment losses	-	(1,301)
Income tax on unappropriated earnings	1,866	13,173
Unrecognized (recognized) loss carryforwards	(14,895)	10,478
Unrecognized (recognized) temporary differences	(2,241)	1,312
Effect of tax rate changes	-	(5,563)
Adjustments for prior years' tax	4,726	16,929
Others	5,842	6,308
Income tax expense recognized in profit or loss	$ 166,779	$ 180,861

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. The effect of tax rate changes has been recognized in profit (loss) and other comprehensive income during the period the tax rate changed in. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%. The applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax benefit (expense) recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2019	2018
Effect of change in tax rate		
Remeasurement of defined benefit plans	$ -	$ 903
Translation of foreign operations	-	(783)
In respect of the current period		
Remeasurement of defined benefit plans	(31)	1,583
Translation of foreign operations	3,237	(2,173)
	$ 3,206	$ (470)

c. Current tax assets and liabilities

	December 31	
	2019	2018
Current tax assets		
Tax refund receivable	$ 7,441	$ 1,045
Current tax liabilities		
Income tax payable	$ 64,771	$ 96,958

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2019

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 19,729	$ (2,194)	$ 46	$ 17,581
Loss on inventories	11,522	(68)	-	11,454
Bad debts over limits	11,605	7,127	-	18,732
Others	9,314	(547)	-	8,767
	$ 52,170	$ 4,318	$ 46	$ 56,534
Deferred tax liabilities				
Temporary differences				
Unrealized gain from foreign investments accounted for using the equity method	$ 14,315	$ 21,036	$ -	$ 35,351
Exchange differences on translating the financial statements of foreign operations	7,392	-	(3,237)	4,155
Defined benefit obligation	4,969	291	77	5,337
Others	673	10,505	-	11,178
	$ 27,349	$ 31,832	$ (3,160)	$ 56,021

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisition from Business Combinations	Closing Balance
Deferred tax assets					
Temporary differences					
Defined benefit obligation	$ 15,651	$ (885)	$ 2,673	$ 2,290	$ 19,729
Loss on inventories	9,305	2,217	-	-	11,522

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisition from Business Combinations	Closing Balance
Others	$ 16,469	$ 1,256	$ -	$ 3,194	$ 20,919
Tax losses	3,653	(5,367)	-	1,714	-
	$ 45,078	$ (2,779)	$ 2,673	$ 7,198	$ 52,170
Deferred tax liabilities					
Temporary differences					
Unrealized gain from foreign investments accounted for using the equity method	$ 9,664	$ 4,651	$ -	$ -	$ 14,315
Exchange differences on translating the financial statements of foreign operations	4,436	-	2,956	-	7,392
Defined benefit obligation	4,029	753	187	-	4,969
Others	228	445	-	-	673
	$ 18,357	$ 5,849	$ 3,143	$ -	$ 27,349

(Concluded)

e. Deferred tax assets that have not been recognized in the consolidated balance sheets

	December 31	
	2019	2018
Loss carryforwards		
Expiry in 2019	$ -	$ 76,371
Expiry in 2020	107,936	147,612
Expiry in 2021	98,882	99,795
Expiry in 2022	103,224	103,326
Expiry in 2023	234,812	303,069
Expiry in 2024	176,496	182,942
Expiry in 2025	315,432	330,702
Expiry in 2026	231,457	224,879
Expiry in 2027	234,992	266,622
Expiry in 2028	281,089	122,078
Expiry in 2029	106,140	-
Without deduction time limit	430,524	411,601
	$ 2,320,984	$ 2,268,997
Deductible temporary differences	$ 434,015	$ 436,406

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2019 comprised:

Unused Amount	Expiry Year
$ 107,936	2020
98,882	2021
103,224	2022
234,812	2023
176,496	2024
315,432	2025

(Continued)

Unused Amount	Expiry Year
$ 231,457	2026
234,992	2027
281,089	2028
106,140	2029
430,524	Without deduction time limit
$ 2,320,984	

(Concluded)

g. Income tax assessments

The income tax returns through 2017 for the Corporation and its domestic subsidiaries have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

a. Net profit for the year

	For the Year Ended December 31	
	2019	**2018**
Net profit attributable to owners of the Corporation	$ 610,580	$ 461,322

b. Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2019	**2018**
Weighted average number of ordinary shares used in the computation of basic earnings per share	122,145	124,717
Add: Employees' compensation issued	572	567
Weighted average number of ordinary shares used in the computation of diluted earnings per share	122,717	125,284

If the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)
Neweb Technologies Co., Ltd.	Information software wholesale and electronic data supply services	April 9, 2018	59

In order to integrate resources for cost reduction, stabilize operations, enhance competitiveness and expand business scale, the board of directors of the Corporation approved a share exchange agreement with Neweb Technologies Co., Ltd. in January 26, 2018. The Corporation obtained 56,233 thousand shares (around 59% ownership) of Neweb Technologies Co., Ltd. and subsequently obtained control of Neweb Technologies Co., Ltd. and its subsidiaries, Taiwanpay Co., Ltd. and Newebpay Co., Ltd. by exchanging shares of the Corporation's own subsidiaries, ezPay Co., Ltd. and Smartpath Digital Technology Co., Ltd. The record date for the share exchange was April 9, 2018. According to IFRS 3 "Business Combinations", this transaction is a reverse acquisition for ezPay Taiwan Co., Ltd. and Smartpath Digital Technology Co., Ltd., and Neweb Technologies Co., Ltd. is the legal acquirer but the accounting acquiree. Conversely, ezPay Taiwan Co., Ltd. and Smartpath Digital Technology Co., Ltd. are the legal acquirees but the accounting acquirers.

After the aforementioned reverse acquisition, ezPay Taiwan Co., Ltd. and Smartpath Digital Technology Co., Ltd. became wholly-owned subsidiaries of Neweb Technologies Co., Ltd. The Corporation obtained 59% of the shares of Neweb Technologies Co., Ltd. that amounted to $296,361 thousand, and reduced 30% and 41% of the shares of Taiwanpay Co., Ltd. and Newebpay Co., Ltd., respectively. That resulted in an increase in the non-controlling interests of $114,306 thousand, causing the equity attributable to owners of the Corporation to increase by $182,055 thousand, which was classified as capital surplus - changes in percentage of ownership interests in subsidiaries.

b. Consideration transferred

The consideration transferred from the reverse acquisition of Neweb Technologies Co., Ltd was $498,503 thousand, which was determined by referencing the opinion letter of price reasonableness from the independent expert.

c. Assets acquired and liabilities assumed at the date of acquisition

	Amount
Current assets	
Cash and cash equivalents	$ 48,205
Accounts receivable and other receivables	30,637
Other financial assets - current	268,131
Others	11,062
Noncurrent assets	
Financial assets at fair value through other comprehensive income - noncurrent	21,466
Property, plant and equipment	31,789
Intangible assets	23,536
Deferred tax assets	7,198

(Continued)

	Amount
Other financial assets - noncurrent	$ 9,827
Others	33,330
Current liabilities	
Short-term borrowings	(108,396)
Accounts payable and other payables	(20,845)
Temporary receipts	(65,049)
Others	(22,014)
Noncurrent liabilities	
Long-term borrowings	(6,674)
Net defined benefit liabilities	(13,417)
Guarantee deposits received	(25,993)
	$ 222,793

(Concluded)

d. Goodwill recognized on acquisitions

	Amount
Consideration transferred	$ 498,503
Add: Non-controlling interests	81,667
Less: Fair value of identifiable net assets acquired	(222,793)
Goodwill recognized on acquisitions	$ 357,377

e. Net cash inflow on acquisition of subsidiaries

	Amount
Balance of cash and cash equivalents acquired	$ 48,205
Less: Consideration paid in cash	-
	$ 48,205

f. Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	April 1 to December 31, 2018
Revenue	$ 168,751
Profit	$ (25,563)

Had these business combinations been in effect at the beginning of the annual reporting period, the Group’s revenue from continuing operations would have been $5,604,063 thousand, and the profit from continuing operations would have been $452,591 thousand for the year ended December 31, 2018. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2018, nor is it intended to be a projection of future results.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from the last 2 years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Group's management considers that the carrying amounts of financial instruments that are not measured at fair value approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic and foreign listed marketable securities - investments in equity instruments	$ 130,995	$ -	$ -	$ 130,995
Domestic emerging securities investment in equity instruments	-	34,554	-	34,554
Private - placement shares of domestic listed companies	-	261,189	-	261,189
Domestic unlisted shares	-	-	17,920	17,920
	$ 130,995	$ 295,743	$ 17,920	$ 444,658

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic and foreign listed marketable securities - investments in equity instruments	$ 117,474	$ -	$ -	$ 117,474

(Continued)

	Level 1	Level 2	Level 3	Total
Domestic emerging securities investment in equity instruments	$ -	$ 44,937	$ -	$ 44,937
Private - placement shares of domestic listed companies	-	239,152	-	239,152
Domestic unlisted shares	-	-	17,342	17,342
Foreign unlisted shares	-	-	45,500	45,500
	$ 117,474	$ 284,089	$ 62,842	$ 464,405

(Concluded)

There were no transfers between Levels 1 and 2 in 2019 and 2018.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic emerging marketable securities - investments in equity instruments	If emerging shares are not traded in an active market, the management adopts valuation techniques to establish the fair value of emerging shares.
Private - placement shares of domestic listed companies	Fair value is the determined by the management with reference to the price with observable market evidence

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic and foreign unlisted shares were assessed and determined by the management with reference to the price with observable market evidence.

b. Categories of financial instruments

	December 31	
	2019	2018
Financial assets		
Financial assets at amortized cost (1)	$ 10,870,642	$ 10,505,653
Financial assets at FVTOCI	444,658	464,405
Financial liabilities		
Amortized cost (2)	5,029,086	5,063,136

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes and accounts payable, other payables, other financial liabilities, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include time deposits, equity investments, accounts receivable, accounts payable, and borrowings. The Group's corporate treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the Group's risk management committee.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below), and other price risk (see (c) below).

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 33.

Sensitivity analysis

The Group is mainly exposed to the USD and the HKD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only the above outstanding deposits, the item of receivables and payables, not designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	Impact on Profit or Loss For the Year Ended December 31	
	2019	**2018**
USD	$ 1,166	$ 988
HKD	177	1,140

b) Interest rate risk

The carrying amounts of the Group's financial assets with exposure to interest rates at the end of the reporting period are as follows:

	December 31	
	2019	**2018**
Cash flow interest rate risk		
Financial assets	$ 5,707,839	$ 5,166,725

In addition, the Group assessed that the fixed-rate time deposits, short-term borrowings and lease liabilities did not have material fair value risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2019 and 2018 would increase/decrease by $57,078 thousand and $51,667 thousand, respectively, which was mainly attributable to the Group's variable-rate bank deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in domestic and foreign of marketable security investments in equity instruments. The equity investments are held for strategic rather than trading purposes.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2019 and 2018 would have increased/decreased by $4,447 thousand and $4,644 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

For the financial risk management policies adopted by the Group, refer to Note 7.

The Group's credit risk is mainly concentrated in the following groups' accounts receivable and other receivables (receivables for receipts under custody):

	December 31	
	2019	**2018**
Group A	$ 621,052	$ 648,221
Group B	273,605	321,259
	$ 894,657	$ 969,480

The Group's concentration of credit risk accounted for 40% and 39% of total accounts receivable and other receivables (receivables for receipts under custody) from the above-mentioned groups as of December 31, 2019 and 2018, respectively.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity risk for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Within 4 Months	At least 5 Months	More than 1 year	Total
December 31, 2019				
Non-interest bearing liabilities	$ 4,877,975	$ 77,127	$ 73,984	$ 5,029,086
Lease liabilities	11,574	15,829	23,522	50,925
	$ 4,889,549	$ 92,956	$ 97,506	$ 5,080,011
December 31, 2018				
Non-interest bearing liabilities	$ 4,842,002	$ 72,049	$ 44,026	$4,958,077
Fixed interest rate instruments	20,881	85,167	-	106,048
	$4,862,883	$ 157,216	$ 44,026	$ 5,064,125

30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions, balances of accounts, gains and losses between the Corporation and its subsidiaries (the Corporation's related parties) have been eliminated at the time of consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are as follows:

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Taomee Co., Ltd. (Taomee)	Associates
We Can Financial Technology Co., Ltd. (We can)	Associates
Fun Yours Technology Co., Ltd. (Fun Yours)	Related party in substance (The Corporation as legal directors of investee companies)
Asure Corporation (Asure)	Related party in substance (The person in charge is the second-degree relative of the Corporation's chairman)
Ko, Hsiu-Yen	Related party in substance (Second-degree relative of the Corporation's chairman)

b. Operating Revenue

Line Item	Related Party Category	For the Year Ended December 31 2019	2018
Sale of goods	Related party in substance	$ 14,712	$ 2,368
Rendering of services	Associates	$ 12,663	$ 15,187
	Related party in substance	298	168
		$ 12,961	$ 15,355

Except for the revenue from the rendering of advertising design services where similar transactions with unrelated parties are not available for comparison, the selling price for the sale of goods and licences to related parties was not significantly different from that of normal customers. MyCard service revenue was recognized according to the terms in each agreement. The payment terms (bimestrial commercial note) to related parties was similar to that for third parties.

c. Purchase of goods

Related party type	For the Year Ended December 31 2019	2018
Associates	$ 621	$ 1,124
Related party in substance	18,152	9,566
	$ 18,773	$ 10,690

The Group purchases goods from the aforementioned related parties based on franchise agreements, and its prices and payment terms are handled in accordance with the agreements. As the Group did not purchase similar types of game software with non-related parties, the purchase prices cannot be compared. The payment terms are not significantly different from that for general suppliers.

d. Receivables from related parties

Line Item	Related Party Category	December 31 2019	2018
Accounts receivable - related parties	Associates	$ 2,716	$ 1,193
	Related party in substance	12	13
		$ 2,728	$ 1,206
Other receivables	Associates	$ 178	$ -
	Related party in substance	28,822	32,370
		$ 29,000	$ 32,370

Other receivables are mainly the Corporation’s sale of its exclusive MyCard through its related parties.

The outstanding receivables were unsecured, and there was no allowance for impairment loss under the item of receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category	December 31 2019	2018
Notes payable - related parties	Associates	$ 1,826	$ 5,449
	Related party in substance	689	688
		$ 2,515	$ 6,137
Accounts payable - related parties	Associates	$ 164	$ 1,180
	Related party in substance	795	2,171
		$ 959	$ 3,351
Other payables	Associates	$ 2,709	$ 3,587

The outstanding payables to related parties were unsecured.

f. Others

Fees such as commission and miscellaneous fees which the Group paid to related parties were recognized under manufacturing and operating expenses based on their nature:

Related Party Category	For the Year Ended December 31 2019	2018
Associates	$ 180	$ 313
Related party in substance	117,074	45,445
	$ 117,254	$ 45,758

g. Compensation of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31 2019	2018
Short-term employee benefits	$ 42,212	$ 44,055
Post-employment benefits	216	217
	$ 42,428	$ 44,272

31. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The following assets were provided as collateral for the letter of performance bonds for the electric cash flow company, the letter of performance bond for points, bank loans, and collateral for third-party payment providers:

	For the Year Ended December 31	
	2019	2018
Other financial assets - current		
Pledged demand deposits	$ 352	$ 17,711
Pledged time deposits	37,000	10,110
	37,352	27,821
Property, plant and equipment		
Land	109,463	109,463
Buildings	84,620	86,982
	194,083	196,445
	$ 231,435	$ 224,266

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As disclosed in Note 31, the Group provided demand deposits, time deposits and property, plant, and equipment as collateral for performance guarantees of unused MyCard points and the payment by third party payment service company. As of December 31, 2019 and 2018, the credit line committed by banks were both $806,000 thousand.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2019	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Financial assets				
Monetary items				
USD	$ 5,470	29.980	(USD:NTD)	$ 163,998
HKD	9,109	3.849	(HKD:NTD)	35,059
Non-monetary items				
Financial assets at fair value through other comprehensive income				
HKD	456	3.849	(HKD:NTD)	1,755
Financial liabilities				
Monetary items				
USD	1,582	29.980	(USD:NTD)	47,439
HKD	4,510	3.849	(HKD:NTD)	17,359

(Continued)

December 31, 2018	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Financial assets				
Monetary items				
USD	$ 5,243	30.715	(USD:NTD)	$ 161,050
HKD	37,210	3.921	(HKD:NTD)	145,901
Non-monetary items				
Financial assets at fair value through other comprehensive income				
HKD	624	3.921	(HKD:NTD)	2,447
Financial liabilities				
Monetary items				
USD	2,027	30.715	(USD:NTD)	62,251
HKD	8,126	3.921	(HKD:NTD)	31,864

(Concluded)

For the years ended December 31, 2019 and 2018, realized and unrealized net foreign exchange gains were $3,562 thousand and $18,621 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions: Table 5

11) Information on investees: Table 6

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on each operating entity and the types of goods or services delivered or provided. Specifically, the Group’s reportable segments were as follows:

- Soft-World International Corporation (the Corporation), Soft-World (Hong Kong) International Corporation and its subsidiaries (Soft Word (Hong Kong)) - Production and agents of computer game software and publishing of computer game magazines.

- Chinese Gamer International Corporation and its subsidiaries (Chinese Gamer) - Development of computer software and providing online game services.

- Game Flier International Corporation (Game Flier), Game First and its subsidiaries (Game First) - Agent of computer game and providing online game services.

- Neweb Technologies and its subsidiary (Neweb Technologies) - Data Processing, data software and third-party payment services.

- Others - operating segments are the subsidiaries in the Group, for related information, refer to Note 11 since the subsidiaries do not meet the threshold and thus are not recognized as reportable segments.

Segment revenues and operating results

a. The following is an analysis of the Group's revenues and results of operations by reportable segment.

For the year ended December 31, 2019

	Soft-World and Soft-World (Hong Kong)	Chinese Gamer	Game Flier and Game First	Neweb Technologies	Others	Adjustment and Elimination	Total
Revenue from external customers	$ 2,240,773	$ 657,977	$ 775,259	$ 800,543	$ 1,354,102	$ -	$ 5,828,654
Inter-segment revenue	181,305	4,951	8,999	2,404	77,566	(275,225)	-
Total revenue	$ 2,422,078	$ 662,928	$ 784,258	$ 802,947	$ 1,431,668	$ (275,225)	$ 5,828,654
Segment profit (loss)	$ 598,164	$ 77,250	$ 12,568	$ (13,305)	$ 83,892	$ (1,041)	$ 757,528
Other income							94,067
Other gain and loss							(5,742)
Finance costs							(2,555)
Share of loss of associates accounted for using the equity method							(10,576)
Segment profit before tax							$ 832,722
Segment assets	$ 7,361,759	$ 1,112,236	$ 1,342,928	$ 2,145,345	$ 1,023,217	$ (216,806)	$ 12,768,679
Segment liabilities	$ 3,955,637	$ 181,446	$ 238,051	$ 1,272,588	$ 320,519	$ (303,956)	$ 5,664,285

For the year ended December 31, 2018

	Soft-World and Soft-World (Hong Kong)	Chinese Gamer	Game Flier and Game First	Neweb Technologies	Others	Adjustment and Elimination	Total
Revenue from external customers	$ 2,426,867	$ 599,895	$ 913,795	$ 625,075	$ 987,035	$ -	$ 5,552,667
Inter-segment revenue	214,371	342	27,943	378	101,187	(344,221)	-
Total revenue	$ 2,641,238	$ 600,237	$ 941,738	$ 625,453	$ 1,088,222	$ (344,221)	$ 5,552,667
Segment profit (loss)	$ 554,492	$ 51,886	$ (26,549)	$ (76,665)	$ 68,785	$ 13,877	$ 585,826
Other income							91,266
Other gain and loss							(8,385)
Finance costs							(2,755)
Share of loss of associates accounted for using the equity method							(13,072)
Segment profit before tax							$ 652,880
Segment assets	$ 7,491,634	$ 1,072,121	$ 1,289,371	$ 1,993,035	$ 1,105,203	$ (555,671)	$ 12,395,693
Segment liabilities	$ 4,317,202	$ 219,562	$ 207,294	$ 1,110,536	$ 443,623	$ (652,246)	$ 5,645,971

The above reporting revenue is generated from the transactions with external customers.

Segment profit represents the profit before tax earned by each segment without non-operating income and loss. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Revenue from major products and services: Note 23

c. Geographical information

The Group operates in two principal geographical areas - Taiwan (R.O.C) and China.

The Group's revenue from external customers by location of operations and information about its noncurrent assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2019	2018	2019	2018
Taiwan (R.O.C)	$ 4,640,260	$ 5,032,193	$ 462,737	$ 463,292
China	820,077	417,565	58,495	62,385
Others	368,317	102,909	12,767	13,872
	$ 5,828,654	$ 5,552,667	$ 533,999	$ 539,549

Noncurrent assets exclude financial instruments, goodwill, deferred tax assets and net defined benefit assets, etc.

d. Information about major customers

There was no single customer contributing 10% or more to the Group's revenue in 2019 and 2018.

TABLE 1

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Amount Drawn	Interest Rate (%)	Nature for Financing	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Limit	Note
													Item	Value			
0	The Corporation	Fast Distributed Cloud Computing Co.,Ltd.	Other receivables - related parties	Yes	$ 16,000	$ -	$ -	2.63	The need for short-term financing	$ -	Operating capital	$ -	None	$ -	$ 896,064	$ 2,389,505	Note
0	The Corporation	Neweb Technologies Co., Ltd.	Other receivables - related parties	Yes	30,000	-	-	2.63	The need for short-term financing	-	Operating capital	-	None	-	896,064	2,389,505	Note
1	Re: Ad Media (Taiwan) Corporation (Re: Ad Media (Taiwan))	Efun International Corporation	Other receivables - related parties	Yes	6,000	-	-	2.63	The need for short-term financing	-	Operating capital	-	None	-	4,501	12,002	Note
1	Efun International Corporation	Re: Ad Media (Taiwan) Corporation (Re: Ad Media (Taiwan))	Other receivables - related parties	Yes	20,000	20,000	-	2.63	The need for short-term financing	-	Operating capital	-	None	-	34,200	91,200	Note

Note: The financing limit for each borrowing company shall not exceed 15% of the net worth of the financing company. The total financing limit shall not exceed 40% of the net worth of the financing company.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement /Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	The Corporation	Neweb Technologies Co., Ltd.	2	$ 1,194,753	$ 380,000	$ 280,000	$ 135,000	$ 35,000	5.00	$ 2,986,882	Y	N	N	Note 2

Note 1: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

1) A company that the Corporation has a business relationship with.
2) The Corporation owns directly or indirectly over 50% of the equity of the investee company.
3) The company that owns directly or indirectly hold over 50% of the equity of the Corporation.
4) Companies in which over 90% of voting shares combined are directly or indirectly owned by an entity.
5) The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
6) Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
7) According to the Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 2: The ceilings on the amounts for any single entity shall not exceed 20% of the net worth of the Corporation. The ceilings on the amounts for the aggregate amounts to the entities shall not exceed 50% of the net worth of the Corporation.

TABLE 3

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2019 Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	Note
The Corporation	Stock							
	Userjoy Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	464,206	$ 47,581	1	$ 47,581	
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,000,000	163,000	4	163,000	
	China Communications Media Group Co.,Ltd	-	Financial assets at fair value through other comprehensive income - noncurrent	270,351	987	1	987	
	Fun Yours Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,045,366	60,031	12	60,031	
	Kuobrothers Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	531,289	20,641	2	20,641	
	Gameone Holdings Limited.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,200,000	1,755	1	1,755	
	China Digital Interactive Technology Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	350,000	-	2	-	
	Mobix Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	103,207	1,418	1	1,418	
					$ 295,413		$ 295,413	
Game Flier International Corporation	Stock							
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,150,000	$ 94,400	2	$ 94,400	
Jhih Long Venture Capital Corporation	Stock							
	9Splay Entertainment Technology Co., LTD	-	Financial assets at fair value through other comprehensive income - noncurrent	956,919	$ 34,554	4	$ 34,554	
	Soft-World International Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	8,509,000	717,315	7	717,315	Note
					$ 751,869		$ 751,869	

(Continued)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2019				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Neweb Technologies Co., Ltd.	Stock							
	Green World Hotels Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	258,625	$ 3,789	-	$ 3,789	
	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,140,671	16,502	20	16,502	
					$ 20,291		$ 20,291	

(Concluded)

Note: The Corporation's shares held by its subsidiaries were considered treasury shares. For related information, refer to Note 22.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Game First International Corporation	Soft-World International Corporation	Parent company	$ 151,688	-	$ -	-	$ 101,688	-

TABLE 5

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues (Assets)
0	The Corporation	Chinese Gamer International Corporation	Parent to subsidiaries	Operating revenue	$ 54,598	No similar transactions with unrelated parties	1.00
0	The Corporation	Chinese Gamer International Corporation	Parent to subsidiaries	Accounts receivable	5,428	None	-
0	The Corporation	Game Flier International Corporation	Parent to subsidiaries	Operating revenue	64,444	No similar transactions with unrelated parties	1.00
0	The Corporation	Game Flier International Corporation	Parent to subsidiaries	Accounts receivable	8,414	None	-
0	The Corporation	Game Flier International Corporation	Parent to subsidiaries	Other receivables	3,473	Receipts under custody receivable and payables for receipts under custody, etc.	-
0	The Corporation	Game First International Corporation	Parent to subsidiaries	Operating revenue	57,925	No similar transactions with unrelated parties	1.00
0	The Corporation	Game First International Corporation	Parent to subsidiaries	Accounts receivable	10,783	None	-
0	The Corporation	Soft-World International (Hong Kong) Corporation	Parent to subsidiaries	Other receivables	32,886	Receipts under custody receivable and payables for receipts under custody, etc.	-
0	The Corporation	Efun International Corporation	Parent to subsidiaries	Operating revenue	3,429	No similar transactions with unrelated parties	-
1	Chinese Gamer International Corporation	The Corporation	Subsidiaries to parent	Accounts receivable	27,606	None	-
2	Game Flier International Corporation	The Corporation	Subsidiaries to parent	Operating revenue	5,181	No similar transactions with unrelated parties	-
2	Game Flier International Corporation	The Corporation	Subsidiaries to parent	Accounts receivable	60,788	None	-
2	Game Flier International Corporation	Interactive Entertainment Technologies Corporation	Subsidiaries to subsidiaries	Accounts receivable	1,375	None	-
3	Game First International Corporation	The Corporation	Subsidiaries to parent	Operating revenue	2,393	No similar transactions with unrelated parties	-
3	Game First International Corporation	The Corporation	Subsidiaries to parent	Accounts and notes receivable	151,688	None	1.00
3	Game First International Corporation	Game Topia. Co. Ltd.	Subsidiaries to subsidiaries	Operating revenue	1,425	No similar transactions with unrelated parties	-
4	Zealot Digital International Corporation	The Corporation	Subsidiaries to parent	Operating revenue	7,184	No similar transactions with unrelated parties	-
4	Zealot Digital International Corporation	Chinese Gamer International Corporation	Subsidiaries to subsidiaries	Operating revenue	13,087	No similar transactions with unrelated parties	-
4	Zealot Digital International Corporation	Chinese Gamer International Corporation	Subsidiaries to subsidiaries	Accounts receivable	10,500	None	-

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues (Assets)
4	Zealot Digital International Corporation	Soft-World International (Hong Kong) Corporation	Subsidiaries to subsidiaries	Operating revenue	$ 2,304	No similar transactions with unrelated parties	-
5	Fast Distributed Cloud Computing Co.,Ltd.	The Corporation	Subsidiaries to parent	Operating revenue	3,494	No similar transactions with unrelated parties	-
5	Fast Distributed Cloud Computing Co.,Ltd.	The Corporation	Subsidiaries to parent	Accounts receivable	1,531	None	-
5	Fast Distributed Cloud Computing Co.,Ltd.	Chinese Gamer International Corporation	Subsidiaries to subsidiaries	Operating revenue	1,724	No similar transactions with unrelated parties	-
5	Fast Distributed Cloud Computing Co.,Ltd.	Game Flier International Corporation	Subsidiaries to subsidiaries	Operating revenue	8,774	No similar transactions with unrelated parties	-
6	Neweb Technologies Co., Ltd.	The Corporation	Subsidiaries to parent	Operating revenue	2,384	No similar transactions with unrelated parties	-
7	Efun International Corporation	The Corporation	Subsidiaries to parent	Operating revenue	2,391	No similar transactions with unrelated parties	-
7	Efun International Corporation	Game Flier International Corporation	Subsidiaries to subsidiaries	Operating revenue	5,451	No similar transactions with unrelated parties	-
7	Efun International Corporation	Game Flier International Corporation	Subsidiaries to subsidiaries	Accounts receivable	1,322	None	-
7	Efun International Corporation	Game First International Corporation	Subsidiaries to subsidiaries	Accounts receivable	4,803	None	-
8	Re:Ad Media (Taiwan) Corporation	The Corporation	Subsidiaries to parent	Operating revenue	1,858	No similar transactions with unrelated parties	-
8	Re:Ad Media (Taiwan) Corporation	Game Flier International Corporation	Subsidiaries to subsidiaries	Operating revenue	5,999	No similar transactions with unrelated parties	-
8	Re:Ad Media (Taiwan) Corporation	Game Flier International Corporation	Subsidiaries to subsidiaries	Accounts receivable	1,060	None	-
8	Re:Ad Media (Taiwan) Corporation	Game First International Corporation	Subsidiaries to subsidiaries	Accounts receivable	4,659	None	-
8	Re:Ad Media (Taiwan) Corporation	Game Topia. Co. Ltd.	Subsidiaries to subsidiaries	Accounts receivable	1,113	None	-
9	Game Topia. Co. Ltd.	Fast Distributed Cloud Computing Co., Ltd.	Subsidiaries to subsidiaries	Operating revenue	3,220	No similar transactions with unrelated parties	-
9	Game Topia. Co. Ltd.	Game First International Corporation	Subsidiaries to subsidiaries	Operating revenue	1,731	No similar transactions with unrelated parties	-
10	Interactive Entertainment Technologies Corporation	Game Flier International Corporation	Subsidiaries to subsidiaries	Operating revenue	10,378	No similar transactions with unrelated parties	-
10	Interactive Entertainment Technologies Corporation	Game Flier International Corporation	Subsidiaries to subsidiaries	Accounts receivable	1,267	None	-

(Concluded)

TABLE 6

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2019	December 31, 2018	Number of shares	(%)	Carrying Amount			
The Corporation	Chinese Gamer International Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, and general advertising service, etc.	$ 371,319	$ 371,319	41,880,205	49.00	$ 524,750	$ 78,850	$ 35,340	Subsidiary (Note 4)
The Corporation	Soft-World Technology Pte. Ltd.	Singapore	Manufacturing, processing, trading, , design and selling and also an agent of various computer software and accessories, etc.	8,959	24,102	390,000	100.00	5,620	(424)	(424)	Subsidiary (Note 4)
The Corporation	Game Flier International Corporation	Republic of China	Electronic data information providing service, etc.	217,945	217,846	28,330,027	98.00	750,778	35,849	35,316	Subsidiary (Note 4)
The Corporation	Global Concept Corporation	Samoa	Investment company	295,068	295,068	9,631,253	100.00	247,384	14,627	14,627	Subsidiary (Note 4)
The Corporation	Game First International Corporation	Republic of China	Online game service	27,813	27,813	16,684,063	70.00	239,920	(15,035)	(10,525)	Subsidiary (Note 4)
The Corporation	Efun International Co., Ltd.	British Virgin Islands	Investment company	-	81,312	-	-	-	216	192	Subsidiary (Notes 2 and 4)
The Corporation	Zealot Digital International Corporation	Republic of China	Electronic data information providing service, etc.	50,874	50,874	8,904,162	99.00	71,193	(7,228)	(7,151)	Subsidiary (Note 4)
The Corporation	Zealot Digital Pte. Ltd.	Singapore	Development and sale of game software, etc.	261,882	261,882	26,460,042	100.00	548	(1,547)	(1,547)	Subsidiary (Note 4)
The Corporation	Soft-World International (Hong Kong) Corporation	Hong Kong	Trading of game software	88,858	88,858	3,883,558	100.00	535,164	30,409	30,409	Subsidiary (Note 4)
The Corporation	Dynasty International Information Corporation	Republic of China	Development, design, trading of computer software,	14,667	14,667	1,460,610	86.00	18,125	4,552	3,912	Subsidiary (Note 4)
The Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	100,000	100,000	10,000,000	13.00	8,521	18,739	2	Subsidiary (Note 4)
The Corporation	Sofaman Corporation	Republic of China	Development and sale of game software	9,366	2,766	936,600	60.00	482	(1,551)	(931)	Subsidiary (Note 4)
The Corporation	Re: Ad Media Corporation	Samoa	Investment company	-	5,247	-	-	-	(235)	(120)	Subsidiary (Notes 2 and 4)
The Corporation	Interactive Entertainment Technology Co., Ltd.	Samoa	Investment company	15,485	15,485	480,000	80.00	15,660	295	236	Subsidiary (Note 4)
The Corporation	Fast Distributed Cloud Computing Co., Ltd.	Republic of China	Retail sale, wholesale and service for information software, etc.	17,583	17,583	2,372,919	100.00	40,857	6,351	6,351	Subsidiary (Note 4)
The Corporation	Neweb Technologies Co., Ltd.	Republic of China	Wholesale and retail sale of information software and electronic information providing service	510,567	510,567	56,232,998	50.00	440,219	(11,701)	(5,902)	Subsidiary (Note 4)
The Corporation	Efun International Corporation	Republic of China	Information software and data processing service	91,364	77,270	12,855,243	80.00	182,463	43,886	36,093	Subsidiary (Note 4)
The Corporation	Long Xiang Investment Corporation	Republic of China	Investment company	250,000	250,000	25,000,000	44.00	21,906	13,710	(79)	Subsidiary (Note 4)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2019	December 31, 2018	Number of shares	(%)	Carrying Amount			
The Corporation	CELAD Incorporated	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	$ 17,500	$ 10,000	1,750,000	32.00	$ (785)	$ (23,064)	$ (6,672)	Subsidiary (Note 4)
The Corporation	Re: Ad Media (Taiwan) Corporation	Republic of China	General advertising service	-	14,094	-	-	-	(11,645)	1,995	Subsidiary (Note 4)
The Corporation	Joy Children Technology Co., Ltd.	Republic of China	Wholesale and retail sale of stationery articles, musical instruments and educational entertainment article, etc.	20,512	20,512	2,051,153	32.00	12,267	(4,866)	(1,613)	Note 1
The Corporation	Ijoing, Inc.	Republic of China	Wholesale and retail sale of software publication and information software, etc.	-	1,600	1,600,000	-	-	(3,079)	(84)	Note 1
The Corporation	We Can Financial Technology Co., Ltd.	Republic of China	Development of financial system and equipment, etc.	26,234	23,959	3,781,000	38.00	6,030	(10,425)	(3,929)	Note 1
Chinese Gamer International Corporation	Taichigamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	96,942	96,942	3,041,698	100.00	190,413	29,976	29,976	Subsidiary (Note 4)
Chinese Gamer International Corporation	Walkfun International Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	15,000	15,000	1,500,000	100.00	17,883	1,521	1,521	Subsidiary (Note 4)
Chinese Gamer International Corporation	CELAD Incorporated	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	27,500	20,000	2,750,000	50.00	(1,148)	(23,064)	(11,533)	Subsidiary (Note 4)
Chinese Gamer International Corporation	Super Game Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	5,000	5,000	500,000	50.00	1,026	(44)	(22)	Subsidiary (Note 4)
Chinese Gamer International Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	100,000	100,000	10,000,000	13.00	100,908	18,739	2,415	Subsidiary (Note 4)
Chinese Gamer International Corporation	Star Diamond Universal Corporation	British Virgin Islands	Business related investee	82,772	82,772	52,000	100.00	86,273	(1,023)	(1,023)	Subsidiary (Note 4)
Chinese Gamer International Corporation	Fun Bear Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	8,000	8,000	800,000	50.00	5,665	3,456	1,728	Subsidiary (Note 4)
Chinese Gamer International Corporation	Game Topia Co.	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	20,000	20,000	2,910,818	50.00	38,761	19,247	10,098	Subsidiary (Note 4)
Chinese Gamer International Corporation	Oriental Dragon Digital Co., Ltd.	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	8,000	8,000	800,000	53.00	10,220	11,770	6,195	Subsidiary (Note 4)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2019	December 31, 2018	Number of shares	(%)	Carrying Amount			
Chinese Gamer International Corporation	Long Xiang Investment Corporation	Republic of China	Investment company	$ 168,000	$ 168,000	16,800,000	30.00	$ 169,493	$ 13,710	$ 4,068	Subsidiary (Note 4)
Taichigamer (B.V.I.) Co., Ltd.	Transasiagamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	94,264	94,264	2,976,934	100.00	183,733	30,087	30,087	Subsidiary (Note 4)
Transasiagamer Co., Ltd.	You Long Online (Beijing) Technology Corporation	China Mainland - Beijing	Development, production of computer software and accessories; homemade products, installation of computer hardware, repair, technique consulting, technique training, and sale of homemade products	69,569	69,569	-	100.00	157,568	30,824	30,824	Subsidiary (Note 4)
Star Diamond Universal Corporation	Dragon Gamer (Hong Kong) Co., Ltd.	Hong Kong	Information service	82,772	82,772	260,000	100.00	86,273	(1,023)	(1,023)	Subsidiary (Note 4)
Game Topia. Co. Ltd.	Game Topia (Hong Kong) Technology Corporation	Hong Kong	Information software service	987	987	3,300	100.00	20,310	12,548	12,548	Subsidiary (Note 4)
Game Flier International Corporation	Soft-Orient Corporation	Brunei	Business related investee	254,872	254,872	7,784,134	100.00	16,576	168	168	Subsidiary (Note 4)
Game Flier International Corporation	Game Flier (Malaysia) Sdn. Bhd.	Malaysia	Development, manufacture and sale of game software	100,595	100,276	10,835,629	100.00	143	(153)	(153)	Subsidiary (Note 4)
Game Flier International Corporation	Mobile Flier International Corporation	Republic of China	Agents and operation of smartphone games	28,000	28,000	2,800,000	100.00	15,779	(515)	(515)	Subsidiary (Note 4)
Global Concept Corporation	Value Central Corporation	Samoa	Investment company	45,452	45,452	1,450,000	100.00	19,626	(152)	(152)	Subsidiary (Note 4)
Global Concept Corporation	Gamers Grande Corporation	Malaysia	Business related investee	179,788	179,788	6,453,621	100.00	167,934	20,052	20,052	Subsidiary (Note 4)
Global Concept Corporation	Playgame Sdn. Bhd.	Malaysia	Investment company	56,074	56,074	30,250	30.00	27,504	(16,302)	(4,931)	Note 1
Value Central Corporation	Picked United Development	Hong Kong	Acquisition and royalty for game software	20,255	20,255	4,700,000	100.00	15,932	(50)	(50)	Subsidiary (Note 4)
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation	Republic of China	Agent and operation of sports games	21,342	21,342	2,941,520	100.00	8,419	226	226	Subsidiary (Note 4)
Jhih Long Venture Capital Corporation	SkyTouch Co., Ltd.	Republic of China	Manufacture of computers and accessories	20,002	20,002	673,915	31.00	1,676	(61)	(19)	Note 1
Interactive Entertainment Technology Co., Ltd.	Interactive Entertainment Technologies Corporation	Republic of China	Wholesale and service of information software	18,000	18,000	1,800,000	100.00	18,342	359	359	Subsidiary (Note 4)
Neweb Technologies Co., Ltd.	ezPay Co., Ltd.	Republic of China	Third party payment service	966,748	966,748	61,400,000	100.00	580,936	(57,869)	(57,869)	Subsidiary (Note 4)
Neweb Technologies Co., Ltd.	Newebpay Corporation	Republic of China	Electronic data providing services	28,369	28,369	1,395,426	100.00	230,903	893	893	Subsidiary (Note 4)
Neweb Technologies Co., Ltd.	CService Technology Co., Ltd.	Republic of China	Information software	5,000	-	500,000	100.00	4,802	(198)	(198)	Subsidiary (Note 4)
Efun International Corporation	Re: Ad Media (Taiwan) Corporation	Republic of China	General advertising service	26,000	-	3,125,000	100.00	30,004	(11,645)	(15,557)	Subsidiary (Note 4)
Long Xiang Investment Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	566,000	566,000	56,600,000	74.00	578,347	18,739	13,848	Subsidiary (Note 4)

(Concluded)

Note 1: Investment accounted for using the equity method.

Note 2: The company had completed liquidation for the year ended December 31, 2019.

Note 3: For investees in mainland China, refer to Table 7.

Note 4: Eliminated when preparing the consolidated financial statements.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Lingo Soft (Beijing) Technology Co., Ltd.	Data processing services	$ 14,091	2	$ 7,743	$ -	$ -	$ 7,743	$ -	33.00	$ -	$ -	$ -	
Soft-World International (Guangzhou) Corporation	Design, development, production, and sale of computer hardware and software	46,833	1	88,858	-	-	88,858	1,350	100.00	1,350	9,596	-	Note 3
Game Flier International Corporation (Beijing) (Note 4)	Development of techniques, transferring, service, consulting, training; production and sale of computer software and related hardware; internet information service	214,678	2	186,300	-	-	186,300	20,157	100.00	20,157	167,321	-	Note 5
Huei You Cyuan Jia Business Management Consulting (Guangzhou) Co., Ltd.	Business management consulting, design of business operation and advertising, consulting about technique, development of APP, wholesale of computers and accessories	4,497	2	3,722	-	-	3,722	-	1.00	-	987	-	
World Inside (Beijing) Technology Co., Ltd.	Business management consulting, design of business operation and advertising, consulting about technique, development of APP, design of computer software, and other design service	53,813	2	45,500	-	-	45,500	-	2.00	-	-	-	
Ke Jiou Network Technology (Shanghai) Co., Ltd.	Technique for operating internet, development of hardware and software about computer, technique transferred, technique consulting, technique service, design of illusion, product, anime, business management consulting, business information consulting, computers, software and auxiliary equipment, wholesale of materials for advertising and agents for commission, etc.	2,997	2	75	-	-	75	-	-	-	-	-	Note 6

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2019	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation (Note 7)	$ 332,198	$ 332,198	$ 3,584,258
Game Flier International Corporation (Note 8)	102,636	102,636	457,280

(Continued)

Note 1: Calculated by the spot exchange rates of USD and CNY at the end of the period, which was 29.98 and 4.305, respectively.

Note 2: 1) The Corporation purchased Soft-World International (Hong Kong) Corporation for $88,858 thousand (USD 2,738 thousand), and indirectly acquired full ownership of Soft-World International (Guangzhou) Corporation in October 2007. The Corporation had been authorized by the Investment Commission, MOEA in September 2008.

2) Investments through a holding company were registered in a third region.

Note 3: Recognized gain/loss on investments based on the unaudited financial statements.

Note 4: Game Flier International Corporation had transferred investments in mainland China, Game Flier International Corporation (Beijing), to the Corporation's subsidiary a holding company registered in a third region, Global Concept Corporation, by its holding company registered in a third region, Soft-Orient Corporation, in August, 2012. Game Flier International Corporation had made remittance to Taiwan and obtained approval from Investment Commission, MOEA.

Note 5: Game Flier International Corporation (Beijing) distributed earnings that amounted to RMB 9,000 thousand, to Gamers Grande Corporation in August 2010. As of December 31, 2019, Game Flier International Corporation (Beijing), hasn't transferred to Taiwan.

Note 6: The Corporation indirectly holds investments in mainland China, Ke Jiou Network Technology (Shanghai) Co., Ltd., through a holding company registered in a third region, Global Concept Corporation. The Corporation had disposed all of its equity of Ke Jiou Network Technology (Shanghai) Co., Ltd. in December 2015. The related amount had not been remitted to Taiwan as of December 31, 2019.

Note 7: The amount of accumulated outward remittance for investments from Taiwan as of December 31, 2019 and investment amount authorized by the Investment Commission, MOEA are both USD10,935,900.

Note 8: The amount of accumulated outward remittance for investments from Taiwan as of December 31, 2019 and investment amount authorized by the Investment Commission, MOEA are both USD2,554,848.

(Concluded)