



**GAME
HOLLYWOOD**

Digital Hollywood Interactive Limited

遊萊互動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股票代碼 : 2022

Annual Report 2018

➤ **年度報告 2018** ◀◀

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DEFINITIONS

釋義

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

在本年報內，除文義另有規定外，下列詞彙具有以下涵義：

“2019 AGM”

「二零一九年股東週年大會」

the AGM to be held on June 21, 2019

本公司將於二零一九年六月二十一日舉行的股東週年大會

“AGM”

「股東週年大會」

annual general meeting of the Company

本公司的股東週年大會

“Angame”

「Angame」

Angame Inc., a company incorporated in BVI with limited liability on July 5, 2005, which is a wholly-owned subsidiary of our Company

Angame Inc.，一家於二零零五年七月五日在英屬處女群島註冊成立的有限公司，為本公司的全資附屬公司

“ARPPU”

「ARPPU」

average revenue per month per paying user, which represents our revenue recognized for a particular game, a particular type of games or all of our games, as applicable, in the period divided by the number of paying users of the game, the type of games or all of our games, as applicable, in such period

每名付費用戶每月平均收入，指一款遊戲、一類遊戲或我們所有遊戲（如適用）於一段期間內所確認的收入，除以該款遊戲、該類遊戲或我們所有遊戲（如適用）於該期間內的付費用戶數目

“Articles”

「組織章程細則」

the memorandum and articles of association as amended from time to time

本公司經不時修訂的組織章程大綱及細則

“Audit Committee”

「審核委員會」

the audit committee of the Board

董事會轄下審核委員會

“Board Committees”

「董事委員會」

the Audit Committee, the Remuneration Committee and the Nomination Committee

審核委員會、薪酬委員會及提名委員會

“Board of Directors” or “Board”

「董事會」

our board of Directors

本公司董事會

“BVI”

「英屬處女群島」

British Virgin Islands

英屬處女群島

“CG Code” or “Code”

「企業管治守則」或「守則」

the “Corporate Governance Code” as contained in Appendix 14 to the Listing Rules

上市規則附錄十四所載的「企業管治守則」

“China” or “PRC”

「中國」

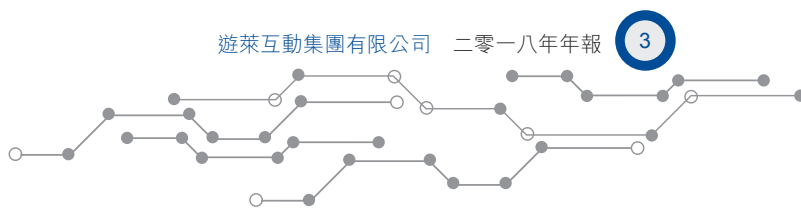
the People’s Republic of China, which for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau and Taiwan

中華人民共和國，僅就本年報及地理提述而言，不包括香港、澳門及台灣

DEFINITIONS (Continued)

釋義 (續)

“Company”, “our Company”, “Digital Hollywood”, “Group”, “our Group”, “we”, “our” or “us”	Digital Hollywood Interactive Limited (遊萊互動集團有限公司*), a company incorporated under the laws of the Cayman Islands with limited liability on November 24, 2014 and except where the context indicated otherwise (1) our subsidiaries and (2) with respect to the period before our Company became the holding company of our present subsidiaries, the business operated by our present subsidiaries or (as the case may be) their predecessors
「本公司」、「遊萊互動」、 「本集團」或「我們」	Digital Hollywood Interactive Limited (遊萊互動集團有限公司*), 一家於二零一四年十一月二十四日根據開曼群島法律註冊成立的有限公司, 以及除文義另有所指外, (1)我們的附屬公司及(2)就於本公司成為現有附屬公司的控股公司前的期間而言, 由現有附屬公司或(視情況而定)其前身公司所經營的業務
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. LU Yuanfeng, Ms. LUO Simin, Mr. HUANG Guozhan, Mr. HUANG Deqiang, LYF Digital Holdings Limited, Angel Age Limited, LXT Digital Holdings Limited and HDQ Digital Holdings Limited
「控股股東」	具有上市規則所賦予的涵義, 除文義另有所指外, 指陸源峰先生、駱思敏女士、黃國湛先生、黃德強先生、LYF Digital Holdings Limited、Angel Age Limited、LXT Digital Holdings Limited及HDQ Digital Holdings Limited
“Director(s)” 「董事」	the director(s) of the Company or any one of them 本公司董事或其中任何一名董事
“Guangzhou SYND” 「廣州歲月年代」	Guangzhou Suiyue Niandai Software Technology Company Limited (廣州歲月年代軟件科技有限公司), a company established in the PRC with limited liability on June 12, 2010, which is an indirectly wholly-owned subsidiary of our Company 廣州歲月年代軟件科技有限公司, 一家於二零一零年六月十二日在中國成立的有限公司, 為本公司的間接全資附屬公司
“Guangzhou You Lai” 「廣州遊萊」	Guangzhou You Lai Information Technology Company Limited (廣州遊萊信息科技有限公司), a company established in the PRC with limited liability on May 13, 2015, which is an indirectly wholly-owned subsidiary of our Company 廣州遊萊信息科技有限公司, 一家於二零一五年五月十三日在中國成立的有限公司, 為本公司的間接全資附屬公司
“HK\$” or “Hong Kong dollars” 「港元」	Hong Kong dollars and cents, both are the lawful currency of Hong Kong 香港法定貨幣港元
“Hollywood BVI” 「Hollywood BVI」	Digital Hollywood International Limited, a company incorporated in the BVI with limited liability on November 25, 2014, which is a wholly-owned subsidiary of our Company Digital Hollywood International Limited, 一家於二零一四年十一月二十五日在英屬處女群島註冊成立的有限公司, 為本公司的全資附屬公司





DEFINITIONS (Continued)

釋義 (續)

“Hollywood HK” 「Hollywood HK」	Game Hollywood Hong Kong Limited, a company established in Hong Kong with limited liability on December 5, 2014, which is an indirectly wholly-owned subsidiary of our Company Game Hollywood Hong Kong Limited, 一家於二零一四年十二月五日在香港成立的有限公司, 為本公司的間接全資附屬公司
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“HTML5” or “H5” 「HTML5」或「H5」	hypertext markup language 5, the fifth and current major version of the hypertext markup language standard; used for structuring and presenting content on web pages and for creating web applications 第五版超文字標記語言, 超文字標記語言標準的第五版及目前的主要版本; 用於在網頁上構建及呈現內容, 及創建網絡應用程序
“IFRS” 「國際財務報告準則」	International Financial Reporting Standards 國際財務報告準則
“IPO” 「首次公開發售」	the initial public offering of the Company, having become unconditional in all aspects on December 15, 2017 在各方面成為無條件後, 本公司於二零一七年十二月十五日進行的首次公開發售
“Listing” 「上市」	the listing of the Shares on the Main Board of the Stock Exchange 股份在聯交所主板上市
“Listing Date” 「上市日期」	December 15, 2017, on which the Shares were listed and from which dealings therein were permitted to take place on the Stock Exchange 二零一七年十二月十五日, 即股份於聯交所上市及自此獲准於聯交所進行買賣的日期
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) 香港聯合交易所有限公司證券上市規則 (經不時修訂)
“MAUs” 「每月活躍用戶」	monthly active users, which refers to the number of individuals who login to a particular game in the relevant calendar month; average MAUs for a particular period is the average of the MAUs in each month during that period 每月活躍用戶數, 指在有關曆月內登錄特定遊戲的人數; 於特定期間的平均每月活躍用戶是指該期間各月的每月活躍用戶平均數

DEFINITIONS (Continued)

釋義 (續)

“MMORPG”	massively multiple online role-play games, a combination of role-playing games and massively multiplayer online games in which a very large number of players interact with one another within a virtual world; role-playing games, which refer to games that involve a large number of users who interact with each other in an evolving fictional world; each user adopts skill sets (such as melee combat or casting magic spells) and controls the avatars’ actions; there are unlimited possible game scenarios where the evolution of the game world is determined by the actions of the users, and the storyline continuously evolves even when the users are offline and away from the games
「MMORPG」	大型多人網絡角色扮演遊戲，一種結合角色扮演遊戲及大型多人網絡遊戲的遊戲，大量玩家於遊戲虛擬世界中彼此互動；角色扮演遊戲指涉及大量用戶於不斷演變的虛擬世界彼此互動的遊戲；每名用戶採用技能組合（如近身格鬥或施展魔咒）及控制角色動作；遊戲有無限可能的情節，於遊戲世界的情節發展取決於用戶的行動，而即使用戶下線或離開遊戲後故事情節亦繼續發展
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 to the Listing Rules
「標準守則」	上市規則附錄十所載「上市發行人董事進行證券交易的標準守則」
“Nomination Committee”	the nomination committee of the Board
「提名委員會」	董事會轄下提名委員會
“Now To Play Game”	Now To Play Game Limited, a company incorporated in Hong Kong with limited liability on March 29, 2011, which is an indirectly wholly-owned subsidiary of our Company
「Now To Play Game」	Now To Play Game Limited，一家於二零一一年三月二十九日在香港註冊成立的有限公司，為本公司的間接全資附屬公司
“Now To Play Game (Spain)”	Now To Play Game Sucursal En España, a branch office established in Spain on July 24, 2014 by Now To Play Game, which is an indirectly wholly-owned subsidiary of our Company
「Now To Play Game (西班牙)」	Now To Play Game Sucursal En España，一家由Now To Play Game於二零一四年七月二十四日在西班牙成立的分支機構，為本公司的間接全資附屬公司
“Post-IPO Share Option Scheme”	the share option scheme conditionally adopted by the Company on May 27, 2017
「首次公開發售後購股權計劃」	本公司於二零一七年五月二十七日有條件採納的購股權計劃
“Prospectus”	the prospectus of the Company dated December 5, 2017
「招股章程」	本公司日期為二零一七年十二月五日的招股章程
“Proficient City”	Proficient City Limited, a company incorporated in the BVI with limited liability on January 25, 2011, which is a wholly-owned subsidiary of our Company
「Proficient City」	Proficient City Limited，一家於二零一一年一月二十五日在英屬處女群島註冊成立的有限公司，為本公司的全資附屬公司



DEFINITIONS (Continued)

釋義 (續)

“Remuneration Committee” 「薪酬委員會」	the remuneration committee of the Board 董事會轄下薪酬委員會
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣
“SDK” 「SDK」	software development kit, typically a set of software development tools that allows the creation of applications for a certain software package, software framework, hardware platform, computer system, video game console, operating system, or similar development platform 軟件開發組合，一般為一組軟件開發工具，以就特定軟件包、軟件框架、硬件平台、電腦系統、視像遊戲機、操作系統或類似的開發平台建立應用程式
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 香港法例第571章證券及期貨條例，經不時修訂、補充或以其他方式修改
“Share(s)” 「股份」	ordinary share(s) of US\$0.001 each in the share capital of the Company 本公司股本中每股面值0.001美元的普通股
“Shareholder(s)” 「股東」	holder(s) of Shares 股份持有人
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“U.S. dollars”, “USD” or “US\$” 「美元」	United States dollars, the lawful currency of the United States 美國法定貨幣美元
“VR” 「虛擬實境」	virtual reality, a computer technology that uses certain equipment to generate realistic images, sounds and other sensations that simulate a user’s physical presence in a virtual or imaginary environment 虛擬實境，使用若干設備來模擬使用者像實際處身於虛擬或幻想的環境中，從而產生真實影像、聲音及其他感覺之電腦技術
“7Road” 「第七大道」	7Road International and its fellow subsidiaries 7Road International及其同系附屬公司
“7Road International” 「7Road International」	7Road International Group Limited, a company incorporated in the British Virgin Islands with limited liability on May 12, 2015, a substantial Shareholder of the Company 7Road International Group Limited，一家於二零一五年五月十二日於英屬維京群島設立的有限責任公司，本公司主要股東之一

DEFINITIONS (Continued)

釋義 (續)

“7Road Shenzhen” 「深圳第七大道」	Shenzhen 7Road Technology Co., Ltd. (深圳第七大道科技有限公司), a company established in the PRC on January 22, 2008, one of our game developer partners and a fellow subsidiary of 7Road International, a substantial shareholder of the Company 深圳第七大道科技有限公司，一家於二零零八年一月二十二日在中國成立的公司，為我們的遊戲開發商夥伴之一及本公司主要股東之一7Road International的同系附屬公司
“%” 「%」	per cent. 百分比
* For identification purposes only	* 謹供識別



CORPORATE PROFILE

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LU Yuanfeng (*Chairman and Chief Executive Officer*)
Mr. HUANG Guozhan
Mr. HUANG Deqiang

Non-executive Director

Mr. MENG Shuqi (*resigned with effect from December 27, 2018*)

Independent Non-executive Directors

Mr. Darren Raymond SHAW
Mr. LI Yi Wen
Ms. Imma LING Kit-sum

JOINT COMPANY SECRETARIES

Mr. YU Ching Ming
Ms. NG Wing Yan

AUTHORISED REPRESENTATIVES

Mr. LU Yuanfeng
Ms. NG Wing Yan

AUDIT COMMITTEE

Ms. Imma LING Kit-sum (*Chairman*)
Mr. Darren Raymond SHAW
Mr. LI Yi Wen

REMUNERATION COMMITTEE

Mr. LI Yi Wen (*Chairman*)
Mr. Darren Raymond SHAW
Mr. LU Yuanfeng

NOMINATION COMMITTEE

Mr. LU Yuanfeng (*Chairman*)
Mr. Darren Raymond SHAW
Mr. LI Yi Wen

董事會

執行董事

陸源峰先生 (*主席兼首席執行官*)
黃國湛先生
黃德強先生

非執行董事

孟書奇先生 (*已於二零一八年十二月二十七日辭任*)

獨立非執行董事

邵在純先生
李毅文先生
凌潔心女士

聯席公司秘書

余精明先生
伍穎欣女士

授權代表

陸源峰先生
伍穎欣女士

審核委員會

凌潔心女士 (*主席*)
邵在純先生
李毅文先生

薪酬委員會

李毅文先生 (*主席*)
邵在純先生
陸源峰先生

提名委員會

陸源峰先生 (*主席*)
邵在純先生
李毅文先生

CORPORATE PROFILE (Continued)

公司資料 (續)

AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

2nd Floor, No. 368 Jiang Nan Da Dao (South)
Haizhu District
Guangzhou, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F, Tai Sang Bank Building
784 Nathan Road
Kowloon, Hong Kong

PRINCIPAL BANKERS

Hongkong and Shanghai Banking Corporation
BBVA Compass Bank, Spain

COMPLIANCE ADVISER

Messis Capital Limited
Room 1606, 16th Floor, Tower 2
Admiralty Centre
18 Harcourt Road
Hong Kong

HONG KONG LEGAL ADVISER

Wilson Sonsini Goodrich & Rosati
Suite 1509, 15/F, Jardine House
1 Connaught Place, Central
Hong Kong

核數師

羅兵咸永道會計師
香港中環
太子大廈22樓

註冊辦事處

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

總部及中國主要營業地點

中國
廣州市海珠區
江南大道南368號二層

香港主要營業地點

香港九龍
彌敦道784號
大生銀行大廈11樓

主要往來銀行

香港上海滙豐銀行
BBVA Compass Bank · 西班牙

合規顧問

大有融資有限公司
香港
夏慤道18號
海富中心
2座16樓1606室

香港法律顧問

威爾遜·桑西尼·古奇·羅沙迪律師事務所
香港
中環康樂廣場1號
怡和大廈15樓1509室



CORPORATE PROFILE (Continued)

公司資料 (續)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

Stock Code: 2022

WEBSITE

www.gamehollywood.com

主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

股份代號：2022

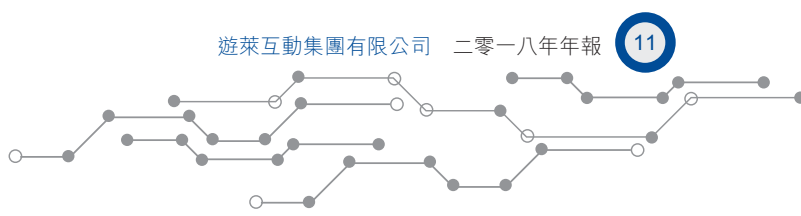
網站

www.gamehollywood.com

MILESTONES

里程碑

Year 年份	Events 事件
2010 二零一零年	<ul style="list-style-type: none"> Our founders became the beneficial shareholders of our first operating entity, Guangzhou SYND 我們的創辦人成為我們首家營運實體廣州歲月年代的實益股東
2011 二零一一年	<ul style="list-style-type: none"> Proficient City was established to develop overseas operation 成立Proficient City以發展海外業務
2012 二零一二年	<ul style="list-style-type: none"> Launched multiplayer web game <i>Wartune</i> with an exclusive license for overseas publishing in English-speaking markets 發佈多玩家網頁遊戲<i>Wartune</i>，並持有在英語市場的獨家海外發行權
2013 二零一三年	<ul style="list-style-type: none"> Proficient City was granted the “Facebook’s Excellent Game-Advertiser Award” Proficient City獲頒發「Facebook優秀遊戲廣告主大獎」 <i>Wartune</i> was granted the “Facebook Staff Favorites Recognition” <i>Wartune</i>獲頒發「Facebook員工最喜愛遊戲獎」 Launched <i>Stallion Race</i> on Facebook 於Facebook發佈<i>Stallion Race</i> We were granted the “Best Overseas Publisher Award” by 7Road Shenzhen 我們榮獲深圳第七大道頒發「最佳海外遊戲發行商大獎」
2014 二零一四年	<ul style="list-style-type: none"> Established Now To Play Game (Spain) as our liaison office in Europe 成立Now To Play Game（西班牙）作為我們在歐洲的聯絡辦事處
2015 二零一五年	<ul style="list-style-type: none"> Launched several successful casual shooting games, including a special edition featuring sports figures and scenes licensed from Barcelona Football Club 發佈數個成功的休閒射擊遊戲，包括加入巴塞隆拿足球會授權的體壇人物及場景的特別版
2016 二零一六年	<ul style="list-style-type: none"> Launched our cross-platform Wing SDK 發佈跨平台Wing SDK Entered into the VR market with our investment in a VR studio in China 透過投資中國一家虛擬實境製作公司，進軍虛擬實境市場
2017 二零一七年	<ul style="list-style-type: none"> Launched <i>Lord of Star</i>, a mobile game in cross-platform format on Gameroom 於Gameroom發佈跨平台格式的手機遊戲<i>Lord of Star</i> Shares were listed on the Main Board of the Stock Exchange (stock code: 2022) on December 15, 2017 股份於二零一七年十二月十五日在聯交所主板上市（股份代號：2022）
2018 二零一八年	<ul style="list-style-type: none"> French, German, Polish and Turkish versions of <i>Dragon Awaken</i> were launched successively, fully penetrating into the European market <i>Dragon Awaken</i>的法國、德國、波蘭、土耳其版本陸續上線，全面進軍歐洲市場 <i>Robot Tactics</i>, the strategic mobile game featuring anime graphics, was launched on and featured by Google Play in more than 100 countries and regions around the world 創新性推出二次元機甲策略手遊<i>魔法軍團</i>並獲得Google Play在全球超過100個國家和地區的推薦 Digital Hollywood was awarded the 6th Jincha Award for 2018 Best Mobile Publisher 遊萊互動榮獲第六屆金茶獎「2018最佳移動遊戲發行商」 Be elected as the vice-president of the Gaming Industry Association Guangzhou Branch 當選廣州市遊戲行業協會副會長單位 <i>Dragon Awaken</i> was awarded “2018 Zhuoer Award for Top 10 Most Popular Windows Games” in 2018 Globe Windows Game Conference <i>Dragon Awaken</i>獲GWGC全球開發者聯盟二零一八年度峰會「二零一八年度卓爾獎微軟官方市場十大最受玩家喜愛遊戲」





FINANCIAL HIGHLIGHTS

財務摘要

Revenue for the year ended December 31, 2018 amounted to approximately US\$24.2 million, representing a decrease of 15.4% from approximately US\$28.6 million recorded in 2017.

Gross profit for the year ended December 31, 2018 amounted to approximately US\$13.3 million, representing a decrease of 16.4% from approximately US\$15.9 million recorded in 2017.

Profit attributable to owners of the Company for the year ended December 31, 2018 amounted to approximately US\$0.9 million, representing a decrease of 47.1% from approximately US\$1.7 million in 2017.

Non-IFRS adjusted profit attributable to owners of the Company for the year ended December 31, 2018 amounted to approximately US\$3.6 million, representing a decrease of 44.6% as compared with approximately US\$6.5 million in 2017.

截至二零一八年十二月三十一日止年度的收入約為**24.2**百萬美元，較二零一七年錄得的約**28.6**百萬美元減少**15.4%**。

截至二零一八年十二月三十一日止年度的毛利約為**13.3**百萬美元，較二零一七年錄得的約**15.9**百萬美元減少**16.4%**。

截至二零一八年十二月三十一日止年度本公司擁有人應佔溢利約為**0.9**百萬美元，較二零一七年約**1.7**百萬美元減少**47.1%**。

截至二零一八年十二月三十一日止年度本公司擁有人應佔非國際財務報告準則經調整溢利約為**3.6**百萬美元，較二零一七年約**6.5**百萬美元減少**44.6%**。

FINANCIAL SUMMARY

財務概要

		For the year ended December 31, 截至十二月三十一日止年度				
		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Revenue	收入	22,776	28,008	28,446	28,621	24,161
Gross profit	毛利	19,991	17,969	15,535	15,926	13,319
Profit before income tax	除所得稅前溢利	9,147	6,481	8,552	3,982	2,008
Income tax expense	所得稅開支	2,082	1,931	1,613	2,255	1,071
Profit for the year	年內溢利	7,066	4,550	6,940	1,727	937
Profit attributable to:	以下應佔溢利：					
Owners of the Company	本公司擁有人	7,502	4,474	6,940	1,727	937
Non-Controlling interests	非控股權益	(437)	76	–	–	–
Non-IFRS adjusted profit attributable to owners of the Company ^{Note}	非國際財務報告準則經調整溢利 ^{附註}	7,350	6,196	7,565	6,516	3,570

		As at December 31, 截至十二月三十一日止年度				
		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Total assets	總資產	29,666	32,212	26,524	63,830	63,731
Total liabilities	總負債	17,663	27,782	15,732	13,767	10,454
Equity attributable to owners of the Company	本公司擁有人應佔權益	12,604	4,429	10,791	50,063	53,277

Note: To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use Non-IFRS adjusted profit attributable to owners of the Company as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business. Our unaudited net profit was derived from our profit for the year excluding share-based payments and listing expenses.

附註：為補充我們根據國際財務報告準則呈列的合併財務報表，我們亦使用非國際財務報告準則經調整溢利作為額外的財務計量，藉此消除我們認為對我們的業務表現並無指標意義的項目之影響，以評估我們的財務業績。我們的未經審核純利乃根據我們的年內溢利計算得出，而不包括以股份為基礎付款及上市開支。



CHAIRMAN'S STATEMENT

主席報告



Dear Shareholders,

On behalf of the Board and the management of Digital Hollywood Interactive Limited, I am pleased to present to you the annual report of the Company and its subsidiaries for the year ended December 31, 2018.

OVERVIEW OF THE GROUP

We are a leading global online game publisher for China-based game developers, with fast-growing in-house development capabilities for mobile games. Our mission is to bring engaging, differentiated gameplay experience to users across languages, cultures and borders. We offer compelling value proposition to game developers by helping them penetrate the international markets with one-stop solutions, including game redesign, optimization, marketing, distribution, monetization, payment support and other user-related services.

尊敬的各位股東：

本人謹代表遊萊互動集團有限公司董事會及管理層，欣然向閣下提呈本公司及其附屬公司截至二零一八年十二月三十一日止年度年報。

集團概覽

我們是一家為中國的遊戲開發商提供服務的全球領先網絡遊戲發行商，擁有快速增長的手機遊戲自主研發能力。我們的使命是將令人投入的和不一樣的遊戲體驗帶給跨語言、跨文化及跨國界的用戶。我們以一站式的解決方案（遊戲重新設計、優化、行銷、發行、變現、付款支持及其他與使用者有關的服務）幫助遊戲發行商滲透國際市場，為其帶來極具吸引力的價值方案。

CHAIRMAN'S STATEMENT (Continued)

主席報告 (續)

We began our business as an international web game publisher and grew quickly to become the leading web game publisher. Besides, we strategically expanded our business focuses to develop and launch mobile games by enhancing in-house development capabilities to capture the market opportunity from the fast-growing smartphone users, and our mobile games achieved considerable success in a number of regional markets.

In recent years, the Group has begun to deepen the business of HTML5 multiplayer games and established a self-developed HTML5 game platform. As such, the Group has the technical capability to achieve the data exchange between personal computers and mobile terminals, and embarked to launch a variety of HTML5 games of different types.

RESULTS OF THE GROUP

- As of December 31, 2018, we launched and operated 30 games including web games, mobile games and H5 games over the world. 13 of such games were self-developed games, accounting for 43.3% of the total number of games launched and operated.
- As of December 31, 2018, calculating based on IP addresses we recorded, we had cumulative registered users of approximately 68.6 million located in over 200 countries and regions.
- As of December 31, 2018, our average MAUs for online games were more than 1.8 million.
- In 2018, we launched 11 new online games in several language versions, including English, French, German, Polish, Spanish, Portuguese, Turkish and Chinese. The Company believes that the strategy to further penetrate the European market through multilingual versions will lay the foundation for our global development.
- In 2018, the Company completed the establishment of the fully self-developed SDK and the HTML5 game platform, Chips Games, so as to allow various types of games to be launched on Facebook Messenger and Facebook Canvas, realizing accounts-sharing and seamless connection of functions between Facebook and our proprietary H5 platform, marking the Company's further involvement in the HTML5 market.

本集團以國際網頁遊戲發行商身份開展業務，並迅速發展成為領先的網頁遊戲發行商。除此之外，我們還透過增強自主研发能力有策略地擴大業務重點至開發及發佈手機遊戲，以抓住智慧手機用戶快速增長帶來的市場機遇，而且我們的手機遊戲也在多個地區市場取得了不錯的成績。

近年來，集團開始深耕HTML5跨端遊戲業務，建立了自主研发的HTML5遊戲平台，在技術上實現個人電腦和手機端的資料互通，並開始嘗試上線多種不同類型的HTML5遊戲。

集團成績

- 截至二零一八年十二月三十一日，我們在全球發佈並運營著30款遊戲，包括網頁遊戲、手機遊戲和H5遊戲。其中，13款是自主研发，佔發佈和運營的遊戲總數43.3%。
- 截至二零一八年十二月三十一日，以我們記錄的IP地址計，我們全球有約6,860萬名位於超過200個國家和地區的累計註冊用戶。
- 截至二零一八年十二月三十一日，我們的網絡遊戲的平均每月活躍用戶達到180萬以上。
- 二零一八年，我們發行新上線遊戲產品11款，語言版本囊括英文、法語、德語、波蘭語、西班牙語、葡萄牙語、土耳其語以及中文，本公司認為通過多語種版本進一步滲透歐洲市場的戰略將為全球發展奠定基礎。
- 二零一八年，本公司完成自主研发的SDK及HTML5遊戲平台Chips Games的搭建和上線，支援多款遊戲上線Facebook Messenger和Facebook Canvas，實現了Facebook與自有H5平台的帳號互通和功能無縫銜接，標誌著本公司在HTML5市場上的進一步佈局。



CHAIRMAN'S STATEMENT (Continued)

主席報告 (續)

FINANCIAL PERFORMANCE OF THE GROUP

Revenue of the Group decreased by 15.4% from approximately US\$28.6 million for the year ended December 31, 2017 to approximately US\$24.2 million for the year ended December 31, 2018.

The main reason for the decrease in revenue was the suspension of the approval process by the PRC competent authority from March 2018 to the end of 2018 for new online games, which dampened the enthusiasm of game developers to develop new games and resulted in the reduction of the number of products supplied by domestic game developers and the slowdown of the updating progress of existing game products. Such temporary adjustments on the administrative process imposed a negative impact on our new game releases and existing game updates,

PROSPECTS AND STRATEGIES OF THE GROUP

Entering 2019, the Company will continue to focus on its long-standing pursuit for in-game customerization, passion and original contents. The Company launched a Q-style strategic card game *Trillionia* which was published worldwide. It was also the first time that the Company globally launched a high-quality multilingual mobile game.

In regard to internationalization, the Company will further strengthen its advantages in overseas publication and fully implement its development strategy of cross-platform games. In 2019, the Company will launch a number of games, including a naval battle strategic game *Legend of Warships*, which can be played on both the browser platform via personal computers and the HTML5 platform via mobile devices; and the global multilingual cross-platform massively multiple online role-play game, *Eternal Fury 2*, which will be our first game based on the seamless connections between Wing SDK, Chips Games SDK and Facebook.

While the Company has a steady development in business of browser games and mobile games, the Company will enhance the layout of HTML5 games and expand the global H5 game distribution platform, and 11 casual HTML5 games such as *Gold Miner*, *Candy Balls*, *Happy Birds*, etc. have been or are expected to be launched. Under this trend of development, the Company is expected to further deepen the diversified development of its game products.

集團財務表現

本集團的收入從截至二零一七年十二月三十一日年度的約28.6百萬美元下降15.4%至截至二零一八年十二月三十一日止年度的約24.2百萬美元。

收入減少主要是由於自二零一八年三月至二零一八年末，中國主管機關暫停了對新網絡遊戲的版號審批，降低了遊戲開發者開發新遊戲的積極性，導致國內遊戲開發廠商供應的產品數量減少，原有遊戲產品的更新進度放緩。上述行政措施的暫時調整，對我們的新遊戲發行和原有遊戲版本更新帶來不利影響。

集團展望及策略

進入二零一九年，本公司繼續堅持遊戲人性化、富有情感和原創的初衷，推出了Q版卡牌策略手遊 *Trillionia*並於全球範圍內發行，這也是本公司首次推出一包多語言版本的全球性精品手遊。

國際化方面，本公司將繼續發揮海外發行領域的優勢，全面實施多平台聯動的發展戰略，二零一九年將有多款遊戲產品上線，包括打通個人電腦的頁遊端與手機HTML5端的海上戰鬥策略遊戲大作 *Legend of Warships*；此外還有全球多語言跨端的大型多人網絡角色扮演遊戲 *Eternal Fury 2*，這也是公司首款實現自研工具Wing SDK、Chips Games SDK與Facebook無縫銜接的遊戲。

在穩步發展網頁遊戲及手機遊戲業務同時，本公司將加大HTML5遊戲佈局，拓展全球化H5遊戲分發平台，已經或預期推出 *Gold Miner*、*Candy Balls*、*Happy Birds*等11款輕度休閒HTML5遊戲產品。在此發展趨勢下，本公司有望進一步深化遊戲產品多元化發展。

CHAIRMAN'S STATEMENT (Continued)

主席報告 (續)

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the management of the Group and all our staff for their hard work over the past year. In particular, I would like to express our thankfulness to Mr. MENG Shuqi who resigned his position as the non-executive Director based on his personal reasons. While our Company believes there will be no adverse impact to be felt by our Group following his resignation, we appreciate the valuable service provided by Mr. MENG to the Board during his tenure. I would also like to extend my sincere gratitude to our Shareholders, business partners and stakeholders for their continued support.

LU Yuanfeng

Chairman and Chief Executive Officer

Hong Kong, March 22, 2019

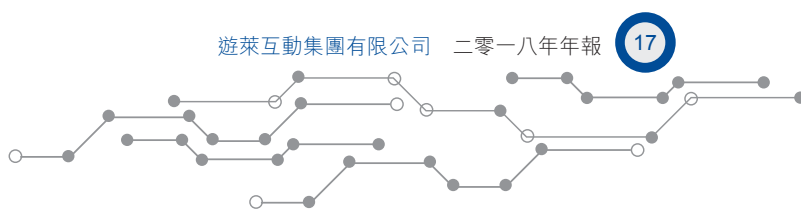
致謝

本人謹代表董事會藉此機會，感謝本集團管理層成員及全體員工過去一年的辛勤付出。特別地，本人謹此向因個人原因辭去非執行董事職務的孟書奇先生致以謝意。我們感謝孟先生在任期間為董事會提供的寶貴服務，而本公司相信其辭任後本集團將不會受到不利影響。本人亦對我們的股東，合作夥伴及利益相關者的繼續支持致以摯誠謝意。

陸源峰

主席兼首席執行官

香港·二零一九年三月二十二日





PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層資料

Below are the brief profiles of the current Directors and senior management of the Group.

以下為本集團現任董事及高級管理層的簡要資料。

DIRECTORS

The Board currently comprises six Directors, of which three are executive Directors and three are independent non-executive Directors. The following table sets forth information regarding the Directors.

董事

董事會現時由六名董事組成，包括三名執行董事及三名獨立非執行董事。下表載列有關董事的資料。

Name 姓名	Age 年齡	Position 職位	Date of Appointment as Director 獲委任為董事的日期
Executive Directors 執行董事			
Mr. LU Yuanfeng 陸源峰先生	39	Chairman, executive Director and chief executive officer 主席、執行董事及首席執行官	November 24, 2014 二零一四年十一月二十四日
Mr. HUANG Guozhan 黃國湛先生	39	Executive Director and chief operating officer 執行董事及首席運營官	November 2, 2015 二零一五年十一月二日
Mr. HUANG Deqiang 黃德強先生	45	Executive Director and chief technology officer 執行董事及首席技術官	June 28, 2017 二零一七年六月二十八日
Non-executive Director 非執行董事			
Mr. MENG Shuqi 孟書奇先生	40	Non-executive Director 非執行董事	November 2, 2015 (resigned with effect from December 27, 2018) 二零一五年十一月二日 (已於二零一八年十二月二十七日辭任)
Independent non-executive Directors 獨立非執行董事			
Mr. Darren Raymond SHAW 邵在純先生	53	Independent non-executive Director 獨立非執行董事	November 24, 2017 二零一七年十一月二十四日
Mr. LI Yi Wen 李毅文先生	48	Independent non-executive Director 獨立非執行董事	November 24, 2017 二零一七年十一月二十四日
Ms. Imma LING Kit-sum 凌潔心女士	64	Independent non-executive Director 獨立非執行董事	November 24, 2017 二零一七年十一月二十四日

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層資料 (續)

EXECUTIVE DIRECTORS

Mr. LU Yuanfeng, aged 39, is an executive Director, our chief executive officer and the chairman of our Board. Mr. LU is mainly responsible for the overall development, operation and management of the Company. Mr. LU founded our Group in June 2010 and was appointed as an executive Director on November 24, 2014. He also serves as a director of Proficient City, Angame, Hollywood BVI, Hollywood HK and Guangzhou You Lai.

Mr. LU has over 16 years of experience in the game industry.

Prior to founding our Group, Mr. LU founded Guangzhou Blue Power Digital Technology Company Limited (“**Guangzhou Blue Power**”) which is primarily engaged in software development in May 2001 and served as its chief executive officer from 2004 to January 2011, mainly responsible for development, publication and operation of various games. From June 2001 to February 2004, Mr. LU served in various positions up to the chief editor of the game channel at 21.com operated by 21CN Corporation Limited which is primarily engaged in the provision of information technology services.

Mr. LU graduated from Guangdong University of Technology with a bachelor degree in architectural engineering on June 30, 2001.

Mr. HUANG Guozhan, aged 39, is an executive Director and our chief operating officer. Mr. HUANG is responsible for the operation and marketing of the Company. Mr. HUANG joined our Group in June 2010 and was appointed as an executive Director on November 2, 2015. He also serves as a director of Now To Play Game, Beijing You Tang Information Technology Company Limited (北京遊堂信息科技有限公司), Guangzhou SYND and Beijing You Lai.

Mr. HUANG has over 11 years of experience in the game industry.

Prior to joining our Group, Mr. HUANG served as a video game operation and planning officer at Guangzhou Blue Power from January 2006 to January 2011. From February 2003 to January 2006, he served as a radio host at Guangzhou Sheng Se Chuan Bo Entertainment and Production Co., Ltd. which is primarily engaged in installation services of stage lighting and audio equipment and cultural communication, mainly responsible for hosting and planning radio programs.

Mr. HUANG graduated from Guangdong University of Technology with a bachelor degree in architectural engineering on June 30, 2002. Mr. HUANG obtained a certificate as a host issued by the State Administration of Radio, Film and Television on February 12, 2005.

執行董事

陸源峰先生，39歲，為執行董事、首席執行官及董事會主席。陸先生主要負責本公司的整體發展、營運及管理。陸先生於二零一零年六月創立本集團，並於二零一四年十一月二十四日獲委任為執行董事。彼亦擔任Proficient City、Angame、Hollywood BVI、Hollywood HK及廣州遊萊的董事。

陸先生於遊戲行業有超過16年經驗。

於創立本集團前，陸先生於二零零一年五月創立廣州市藍色動力數碼科技有限公司（「**廣州藍色動力**」，主要從事軟件開發），並於二零零四年至二零一一年一月任職其首席執行官，主要負責各種遊戲的開發、發行及營運。於二零零一年六月至二零零四年二月，陸先生曾於世紀龍信息網絡有限責任公司（主要從事提供信息科技服務）營運的21.com擔任多個不同職位直至晉升為遊戲頻道總編輯。

陸先生於二零零一年六月三十日畢業於廣東工業大學，獲得建築工程學士學位。

黃國湛先生，39歲，為執行董事及首席運營官。黃先生負責本公司的營運及營銷。黃先生於二零一零年六月加入本集團，並於二零一五年十一月二日獲委任為執行董事。彼亦擔任Now To Play Game、北京遊堂信息科技有限公司、廣州歲月年代及北京遊萊的董事。

黃先生於遊戲行業有超過11年經驗。

於加入本集團前，黃先生於二零零六年一月至二零一一年一月於廣州藍色動力任職影像遊戲營運及策劃主任。於二零零三年二月至二零零六年一月，彼於廣州聲色傳播娛樂製作有限公司（主要從事舞台燈光及音響設備安裝服務以及文化通訊）任職電台主持，主要負責主持及策劃電台節目。

黃先生於二零零二年六月三十日畢業於廣東工業大學，獲得建築工程學士學位。黃先生於二零零五年二月十二日獲得由國家廣播電影電視總局發出的主持證書。



PROFILES OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層資料 (續)

Mr. HUANG Deqiang, aged 45, is an executive Director and our chief technology officer. Mr. HUANG is responsible for developing information technology and managing the research and development of the Company. Mr. HUANG joined our Group in June 2010 and was appointed as an executive Director and the chief technology officer on June 28, 2017.

Mr. HUANG has over 11 years of experience in the game industry.

Prior to joining our Group, Mr. HUANG served as the manager of the technology department of Guangzhou Blue Power from October 2004 to January 2011.

Mr. HUANG graduated from Guangdong Financial and Trade Cadre Academy with a college degree in financial management in July 1997. He was enrolled in Aptech Certified Computer Professional, an IT career program taught by Aptech Beida Jade Bird, from December 2001 to June 2003. Mr. HUANG obtained a national certificate as an intermediate programmer and a national certificate as a software engineer in December 2002 and June 2003, respectively, both issued by the Ministry of Labor and Social Security of the PRC (now known as the Ministry of Human Resources and Social Security of the PRC). In August 2003, he was also certified as a Sun Certified Programmer by Sun Microsystems, Inc..

黃德強先生，45歲，為執行董事及首席技術官。黃先生負責本公司的信息科技開發及研發管理。黃先生於二零一零年六月加入本集團，並於二零一七年六月二十八日獲委任為執行董事及首席技術官。

黃先生於遊戲行業有超過11年經驗。

於加入本集團前，黃先生於二零零四年十月至二零一一年一月於廣州藍色動力任職技術部經理。

黃先生於一九九七年七月畢業於廣東省財貿管理幹部學院，獲得財務管理大專學位。彼於二零零一年十二月至二零零三年六月修讀Aptech Certified Computer Professional課程（由Aptech Beida Jade Bird教授的信息科技職業規劃項目）。黃先生分別於二零零二年十二月及二零零三年六月取得中級程序員國家證書及軟件工程師國家證書，兩者均由中華人民共和國勞動和社會保障部（現稱中華人民共和國人力資源和社會保障部）發出。於二零零三年八月，彼亦獲太陽微系統公司認證為昇陽認證程序員。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層資料 (續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Darren Raymond SHAW, aged 53, is an independent non-executive Director of our Company. Mr. SHAW was appointed as an independent non-executive Director on November 24, 2017.

Mr. SHAW has been involved in the TMT business sector for over 14 years. Mr. SHAW served as the executive chairman of Pacific Media Plc from 2004 to 2006, a UK-listed online and TV home shopping enterprise with operations in Greater China. From 2011 to 2014, he was a director of Shaw Brothers (Hong Kong) Limited (currently known as Clear Water Bay Land Company Limited), which is primarily engaged in the production and distribution of films. Mr. SHAW has been an adviser to Red Bee Media (formally the broadcasting arm of the British Broadcasting Corporation). He is currently a member of the Hong Kong advisory board of the British Academy of Film and Television Arts (BAFTA).

Mr. SHAW graduated in economics from University College London of University of London in 1987.

Mr. Li Yi Wen, aged 48, is an independent non-executive Director of our Company. Mr. LI was appointed as an independent non-executive Director on November 24, 2017.

Mr. LI has over 11 years of experience in the information technology industry.

Mr. LI has served as a director of Aleo BME, Inc. which is primarily engaged in biotechnology research and development since January 2016. He served as a director of Ningbo Lehui International Engineering Equipment Co., Ltd. which is primarily engaged in development, manufacturing of industrial equipment from March 2016 to November 2018. From January 2011 to October 2013, he also served as a director, chief financial supervisor and secretary of the board at Guiyang Longmaster Information & Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300288) which is primarily engaged in wireless games and Internet medical service. He served as the general manager of Sina Net Technology (China) Co., Ltd. which is primarily engaged in wireless games and deputy manager of Guangzhou Xunlong Technology Co., Ltd. which is primarily engaged in wireless games from October 2002 to February 2004 and June 2001 to October 2002, respectively.

獨立非執行董事

邵在純先生，53歲，為本公司的獨立非執行董事。邵先生於二零一七年十一月二十四日獲委任為獨立非執行董事。

邵先生參與科技、媒體及電訊業務超過14年。邵先生於二零零四年至二零零六年擔任Pacific Media Plc（一家英國上市的家居網上及電視購物企業，於大中華區設有業務）的執行主席。於二零一一年至二零一四年，彼擔任邵氏兄弟（香港）有限公司（現稱清水灣土地有限公司，主要從事電影製作及發行）的董事。邵先生為Red Bee Media（前為英國廣播公司的廣播部門）的顧問。彼目前為英國電影電視藝術學院(BAFTA)的香港顧問委員會成員。

邵先生於一九八七年於倫敦大學的倫敦大學學院經濟系畢業。

李毅文先生，48歲，為本公司的獨立非執行董事。李先生於二零一七年十一月二十四日獲委任為獨立非執行董事。

李先生於信息科技行業有超過11年經驗。

李先生自二零一六年一月起擔任Aleo BME, Inc.（主要從事生物科技研發）的董事。於二零一六年三月至二零一八年十一月，彼擔任寧波樂惠國際工程裝備股份有限公司（主要從事工業設備研發及製造）的董事。彼亦於二零一一年一月至二零一三年十月，彼於貴陽朗瑪信息技術股份有限公司（一家於深圳證券交易所上市的公司（股份代號：300288），主要從事無線遊戲及互聯網醫療服務）擔任董事、財務總監及董事會秘書。彼於二零零二年十月至二零零四年二月及於二零零一年六月至二零零二年十月分別擔任新浪網技術（中國）有限公司（主要從事無線遊戲）的總經理及廣州市訊龍科技有限公司（主要從事無線遊戲）的副經理。



PROFILES OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層資料 (續)

Ms. Imma LING Kit-sum, aged 64, is an independent non-executive Director of our Company. Ms. LING was appointed as an independent non-executive Director on November 24, 2017.

Ms. LING has over 30 years of experience in the auditing industry and retired as a partner in PricewaterhouseCoopers in June 2013. Ms. LING has served as a Council member of The Education University of Hong Kong since April 2015, a board member of Estate Agents Authority since November 2015, an Executive Committee member of Hong Kong Youth Hostels Association since May 2001 and a Council member of The Hong Kong Federation of Youth Groups since October 2014. Ms. LING has also served as a member of Hospital Governing Committee of Hospital Authority since April 2015 and a member of the Appeal Board Panel (Town Planning) since October 2016. She also served as a member of The Employees Compensation Assistance Fund Board from July 2006 to June 2012.

Ms. LING is a certified public accountant and a member of Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants, Chartered Professional Accountants, Canada, and Chartered Institute of Management Accountants. She is an Accredited General Mediator of Hong Kong Mediation Accreditation Association Limited. Ms. LING is also a member of Practising Members Working Committee of the Association of Hong Kong Accountants, a member of Professional Development Committee of Hong Kong Business Accountants Association and an executive committee member of Regulatory Committee of The Hong Kong Independent Non-Executive Director Association. In 2003, Ms. Ling received the Outstanding Accountant Ambassador award from the Hong Kong Institute of Certified Public Accountants.

Ms. LING obtained a diploma in accountancy from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in 1977 and a master of science in corporate governance and directorship from Hong Kong Baptist University in 2014.

凌潔心女士，64歲，為本公司的獨立非執行董事。凌女士於二零一七年十一月二十四日獲委任為獨立非執行董事。

凌女士於審計行業有超過30年經驗，並於二零一三年六月退任羅兵咸永道會計師事務所合夥人。凌女士自二零一五年四月起出任香港教育大學校董會成員，自二零一五年十一月起出任地產代理監管局董事局成員，自二零零一年五月起出任香港青年旅舍協會執行委員會成員及自二零一四年十月起出任香港青年協會理事會委員。凌女士亦自二零一五年四月起出任醫院管治委員會成員及自二零一六年十月起出任上訴委員會(城市規劃)成員。彼亦於二零零六年七月至二零一二年六月為僱員補償援助基金管理局成員。

凌女士為執業會計師，及香港會計師公會、英國特許公認會計師公會、加拿大特許專業會計師協會及英國特許管理會計師公會的會員。彼為香港調解資歷評審協會有限公司的認可綜合調解員。凌女士亦為香港會計師專業協會執業會員工作委員會成員，香港商界會計師協會專業發展委員會成員，及香港獨立非執行董事協會法規委員會的執行委員會成員。凌女士於二零零三年獲香港會計師公會選為傑出會計師大使。

凌女士於一九七七年獲取香港理工學院(香港理工大學前身)會計學文憑，並於二零一四年獲取香港浸會大學公司管治及董事學理學碩士學位。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層資料 (續)

SENIOR MANAGEMENT

Mr. LU Yuanfeng, see “- Executive Directors” for details.

Mr. HUANG Guozhan, see “- Executive Directors” for details.

Mr. HUANG Deqiang, see “- Executive Directors” for details.

Mr. LIU Jiahua, aged 38, joined our Group as our chief financial officer on March 21, 2014. He is primarily responsible for the investment and the overall management of the finance of our Group. He has served as the chief financial officer at Proficient City since March 2014.

Mr. LIU has over 15 years of experience in the field of financial management.

Mr. LIU served as the finance controller at Moonbasa E-commerce Group which is primarily engaged in the online sales of women apparels from September 2010 to March 2014. From April 2009 to August 2010, he served as a financial director at China Nepstar Chain Drugstore Ltd. which is primarily engaged in pharmaceutical retail, a company previously listed on the New York Stock Exchange (stock code: NPD). From November 2004 to February 2009, Mr. LIU served in PricewaterhouseCoopers Zhong Tian LLP.

Mr. LIU graduated from Sun Yat-sen University with a bachelor degree in international finance on June 24, 2003.

高級管理層

陸源峰先生，詳情見「一執行董事」。

黃國湛先生，詳情見「一執行董事」。

黃德強先生，詳情見「一執行董事」。

劉嘉華先生，38歲，於二零一四年三月二十一日加入本集團擔任首席財務官。彼主要負責本集團的投資及整體財務管理。彼亦自二零一四年三月起於Proficient City擔任首席財務官。

劉先生於財務管理領域有逾15年經驗。

劉先生於二零一零年九月至二零一四年三月於夢芭莎電子商務集團（主要從事網上銷售女性服裝）擔任財務總監。於二零零九年四月至二零一零年八月，彼於中國海王星辰連鎖藥店有限公司（一家曾於紐約證券交易所上市的公司（股份代號：NPD），主要從事藥品零售）擔任財務總監。於二零零四年十一月至二零零九年二月，劉先生於普華永道中天會計師事務所任職。

劉先生於二零零三年六月二十四日畢業於中山大學，獲得國際金融學士學位。



PROFILES OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層資料 (續)

Mr. SHI Lijia, aged 35, joined our Group as a vice president on August 17, 2015. He is primarily responsible for the overall management of the research and development of the Group.

Mr. SHI has over 8 years of experience in the game industry.

Prior to joining our Group, Mr. SHI served as the game producer in 7Road Shenzhen which is one of our game developer partners from March 2010 to April 2015, mainly responsible for game development and general administration.

Mr. SHI graduated from Lanzhou University with a bachelor degree in Information and Computing Sciences in 2007.

Mr. CHEN Yangzhao, aged 41, was appointed as our vice president on July 1, 2015. He is primarily responsible for the overall operation and management of our Group.

Mr. CHEN has over 16 years of experience in technology and software engineering of game industry.

Prior to joining our Group, Mr. CHEN served as the technology manager of Guangzhou Tianya Internet Technology Co., Ltd. which is primarily engaged in software development from January 2009 to March 2010. He served from a platform development team member to a senior developer at Beijing Bokee Net Information Technology Co., Ltd. which is primarily engaged in technology service from October 2005 to November 2008. He served as the senior software engineer at Guangzhou Ruixun Computer Technology Co., Ltd. which is primarily engaged in development and manufacture of computers' hardware and software from September 2002. He briefly served as a software engineer at Asiainfo Technologies (China) Inc., a Nasdaq-listed company (stock code: ASIA) which is primarily engaged in development of network system from April 2002. Mr. CHEN started his career in July 2001 with Guangdong Xiantong Digital Technology Co., Ltd. as a software engineer.

Mr. CHEN graduated from South China University of Technology with a bachelor degree in computer science and technology on July 1, 2001.

石立家先生，35歲，於二零一五年八月十七日加入本集團擔任副總裁。彼主要負責本集團的整體研發管理。

石先生在遊戲行業擁有逾8年經驗。

於加入本集團前，石先生於二零一零年三月至二零一五年四月擔任深圳第七大道的遊戲製作人。該公司為我們的遊戲開發商夥伴之一。石先生主要負責遊戲開發及一般行政管理。

石先生於二零零七年畢業於蘭州大學，獲信息與計算科學學士學位。

陳陽照先生，41歲，於二零一五年七月一日獲委任為副總裁。彼主要負責本集團的整體營運及管理。

陳先生於遊戲技術及軟件工程行業有逾16年經驗。

加入本集團前，陳先生於二零零九年一月至二零一零年三月擔任廣州天涯網絡科技有限公司（主要從事軟件開發）的技術經理。彼於二零零五年十月至二零零八年十一月擔任北京博客網信息技術有限公司（主要從事技術服務）一名高級開發師的平台開發團隊成員。彼自二零零二年九月起擔任廣州銳訊計算機科技有限公司（主要從事開發及生產電腦硬體及軟件）的高級軟件工程師。彼自二零零二年四月起曾短暫擔任亞信科技（中國）有限公司（一家納斯達克上市公司（股份代號：ASIA），主要從事開發網絡系統）的軟件工程師。陳先生於二零零一年七月開始其職業生涯，在廣州仙童數碼科技有限公司擔任軟件工程師。

陳先生於二零零一年七月一日畢業於華南理工大學，獲得計算機科學與技術學士學位。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The competition in the game industry remained intense for the year ended December 31, 2018. From March 2018 to the end of 2018, the competent authority in the PRC suspended the approval of new online games, which dampened the enthusiasm of game developers to develop new games. The number of products supplied by domestic game developers reduced and the updating progress of existing game products slowed down, limiting the number of our new game releases and existing game updates and in turn imposing an adverse effect on our financial performance. Revenue of the Group decreased by 15.4% from approximately US\$28.6 million for the year ended December 31, 2017 to approximately US\$24.2 million for the year ended December 31, 2018. The profit attributable to owners of the Company declined by 47.1% from approximately US\$1.7 million for the year ended December 31, 2017 to approximately US\$0.9 million for the year ended December 31, 2018. Non-IFRS adjusted profit attributable to owners of the Company declined by 44.6% from approximately US\$6.5 million for the year ended December 31, 2017 to approximately US\$3.6 million for the year ended December 31, 2018. Although facing a less favourable economic environment, the Group was still able to actively improve the operating standards of its game products, and thus maintained a steady improvement in its product operating indicators. Our MAUs increased by 5.6% from 1.8 million for the year ended December 31, 2017 to 1.9 million for the year ended December 31, 2018; our ARPPU increased by 14.3% from US\$28.0 for the year ended December 31, 2017 to US\$32.0 for the year ended December 31, 2018.

Looking back at 2018, the Company was repeatedly recognized by media and industry organizations in China and abroad: domestically, the Company was elected as the vice-president of the Gaming Industry Association Guangzhou Branch and awarded with the 6th Jinchu Award for 2018 Best Mobile Game Publisher, and internationally, the Company was invited by the Spanish Gamelab Organization to attend its conference in Barcelona and to give guidance on local game development teams and their work.

業務回顧

截至二零一八年十二月三十一日止年度遊戲行業競爭依舊激烈，自二零一八年三月至二零一八年末，中國主管機關暫停了對新網絡遊戲的版號審批，降低了遊戲開發者開發新遊戲的積極性；國內遊戲開發廠商所能供應的產品數量減少，原有遊戲產品的更新進度放緩，導致我們的新遊戲發行和原有遊戲版本更新受限，對財務業績增長造成不利影響。本集團的收入從截至二零一七年十二月三十一日年度的約28.6百萬美元下降15.4%至截至二零一八年十二月三十一日止年度的約24.2百萬美元。本公司擁有人應佔溢利從截至二零一七年十二月三十一日年度的約1.7百萬美元下降47.1%至截至二零一八年十二月三十一日止年度的約0.9百萬美元。本公司擁有人應佔非國際財務報告準則經調整溢利從截至二零一七年十二月三十一日止年度的約6.5百萬美元下降44.6%至截至二零一八年十二月三十一日止年度的約3.6百萬美元。雖然面對不甚樂觀的經濟環境，但本集團仍能積極提升遊戲產品運行水準，使得產品運行數據保持穩定增長。每月活躍用戶從截至二零一七年十二月三十一日止年度的1.8百萬名增加5.6%至截至二零一八年十二月三十一日止年度的1.9百萬名；付費用戶月均收入從截至二零一七年十二月三十一日止年度的28.0美元增加14.3%至截至二零一八年十二月三十一日止年度的32.0美元。

回顧二零一八年，本公司屢屢受到媒體及國內外行業組織的肯定：在國內，本公司當選廣州市遊戲行業協會副會長單位；榮獲第六屆金茶獎「二零一八年度最佳移動遊戲發行商」稱號；並在國際上，本公司受西班牙Gamelab組織邀請出席在巴塞隆拿舉行的展會，對當地遊戲開發團隊及其作品作出指導。



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析（續）

In terms of product operation, the Company launched 11 new online games in several language versions, including English, French, German, Polish, Spanish, Portuguese, Turkish and Chinese. The Company believes that the strategy to further penetrate the European market through multilingual versions will lay the foundation for its global development.

In 2018, *Dragon Awaken*, a web-based game, was published and licensed by the Company, and received global recommendation from Facebook Gameroom. The Company was awarded “2018 Zhuoer Award for Top 10 Most Popular Windows Games” for *Dragon Awaken* in 2018 Globe Windows Game Conference. *Bomb Me Brasil*, a self-developed mobile game, was recommended by Google Play and App Store in Brazil. In addition, the Company co-operated with Gameone Group and launched a strategic mobile game, *Robot Tactics*, which was highly recommended by Google Play in more than 100 countries and regions, and also achieved a breakout success.

The Company developed an HTML5 game platform and SDK. In 2018, the Company completed the establishment of the fully self-developed SDK and the HTML5 game platform, Chips Games, so as to allow various types of games to be launched on Facebook Messenger and Facebook Canvas, realizing accounts sharing and seamless connection of functions between Facebook and our proprietary H5 platform, marking the Company's further involvement in the HTML5 market.

INDUSTRY OUTLOOK AND GROUP STRATEGIES

Please refer to the section headed “Chairman’s Statement – Prospects and strategies of the Group” in this annual report for the industry outlook and Group strategies.

在產品營運方面，本公司發行新上線遊戲產品11款，語言版本囊括英文、法語、德語、波蘭語、西班牙語、葡萄牙語、土耳其語以及中文，本公司認為通過多語種版本進一步滲透歐洲市場的戰略將為全球發展奠定基礎。

二零一八年，由本公司代理發行的網頁遊戲產品 *Dragon Awaken* 獲得 Facebook Gameroom 在全球範圍推薦，並獲 GWGC 全球開發者聯盟二零一八年度峰會「二零一八年度卓爾獎微軟官方市場十大最受玩家喜愛遊戲」等殊榮；本公司自研遊戲 *Bomb Me Brasil* 在巴西獲得谷歌及蘋果商店的推薦；此外，本公司與 Gameone Group 合作的策略手機遊戲 *Robot Tactics* 更是在全球範圍內超過一百個國家和地區獲得 Google Play 熱門推薦，實現口碑與營收的雙豐收。

本公司亦研發 HTML5 遊戲平台及 SDK。二零一八年，本公司完成自主研發的 SDK 及 HTML5 遊戲平台 Chips Games 的搭建和上線，支援多款遊戲上線 Facebook Messenger 和 Facebook Canvas，實現了 Facebook 與自有 H5 平台的帳號互通和功能無縫銜接，標誌著本公司在 HTML5 市場上的進一步佈局。

行業前景及集團策略

有關行業前景及集團策略，請參閱本年報「主席報告－集團展望及策略」一節。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

PRINCIPAL RISKS AND UNCERTAINTIES

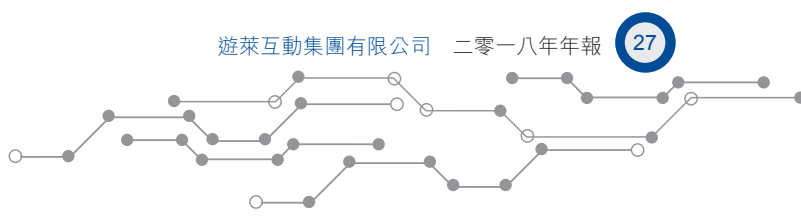
Our operations and prospects and future financial results involve, and could be materially and adversely affected by, certain risks. The following highlights the principal risks exposed to the Group and is not meant to be exhaustive:

- A small number of games have contributed a substantial majority of our revenue.
- We work with game distribution platforms to distribute our games, and our business may be materially and adversely affected if they breach their contractual obligations, or if we fail to maintain relationships with a sufficient number of platforms, or if the platforms lose popularity among Internet users.
- Our growth prospects will suffer if we are unable to successfully implement our game development strategies on mobile games.
- Our businesses rely on our data analysis capabilities, any impact on which would materially and adversely affect our ability to formulate appropriate business strategies.
- Our steady growth during the past years may not be indicative of our future growth, and our limited operating history makes it difficult to evaluate our growth prospects and future financial results.
- If we fail to successfully execute our growth strategies, including launching games of new genres, themes or operating formats and investing in new technologies, our future results of operations and growth prospects may be materially and adversely affected.

主要風險及不明朗因素

我們的營運及前景以及未來財務業績涉及若干風險，該等風險或會對我們的營運及前景以及未來財務業績造成重大不利影響，以下載列本集團面臨的主要風險摘要（並非全面）：

- 我們絕大部分收入是由少數遊戲貢獻。
- 我們與遊戲發行渠道合作發行遊戲，倘彼等違反其合約責任，或倘我們未能與足夠數目的平台維持關係，或倘有關平台在互聯網用戶中失去人氣，則我們的業務可能受到重大不利影響。
- 倘我們無法順利實施於手機遊戲方面的遊戲開發策略，我們的增長前景將受到影響。
- 我們的業務依賴數據分析能力，若這方面受到任何影響均會對我們制定合適業務策略的能力造成重大不利影響。
- 我們於過去多年的穩定增長不能作為未來增長的指標，我們的經營歷史有限，因而難以評估我們的增長前景及未來財務業績。
- 倘我們未能成功執行增長策略，包括發佈新種類、主題或操作格式的遊戲及投資於新技術，我們的未來經營業績及增長前景或會受到重大不利影響。





MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

To mitigate the identified risks, the Company improves its management capability and adaptability and further ensures the realisation of the business objectives and sustainable growth. We aim at implementing the following strategies to further capture players and enhance profitability of our games:

- Our growth also depends on our ability to continuously launch new games that attract and retain a significant number of users, in order to grow our revenue and maintain our competitive position.
- We strengthen our relationships with major international game publishing and distribution partners to expand the reach of our games to new countries and regions.
- We further strengthen and expand our mobile games portfolio by developing additional high-quality mobile games, and offer more mobile specific value-adding features to enrich users' game experience on mobile devices.
- Our team members can utilise our various data analysis engines to collect and store all user behavior data in a timely manner.
- We manage our expanding business, continue to offer new games and enhance our existing games, maintain and expand our collaboration with game distribution platforms, anticipate and adapt to evolving user interests, industry trends and market conditions.
- We have expanded our product offerings to attract a demographically diverse user community and will continue to identify new genres with high monetization potential from game developers, meanwhile we actively enhance our in-house research and development capabilities.

本公司通過改善其管理能力及適應能力以降低已識別風險及進一步確保實現業務目標及可持續增長。我們旨在實施以下策略以進一步吸引玩家並增加我們遊戲帶來的收益：

- 我們的增長亦取決於我們能否不斷發佈可吸引及留住大量用戶的新遊戲，以增加收入及保持具競爭力的地位。
- 鞏固與國際主要遊戲發行及分銷合作方的關係以將我們的遊戲擴展至新的國家及地區。
- 透過開發新增優質手機遊戲進一步增強及擴張我們的手機遊戲組合，提供更多手機特色增值功能以豐富移動設備的用戶遊戲體驗。
- 我們各團隊可以利用各類數據分析引擎及時地收集並儲存所有用戶行為數據。
- 管理我們不斷拓展的業務，繼續提供新遊戲及增強先有遊戲，保持及擴大我們與遊戲開發渠道的合作，預測及適應不斷演變的用戶興趣、行業趨勢及市場狀況。
- 我們已擴大產品種類以吸引多元結構的用戶社群，並繼續從遊戲開發商物色高變現潛力的新種類，自身亦積極提升自主研發能力。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

FINANCIAL REVIEW

Overview

In 2018, profit attributable to owners of the Company amounted to approximately US\$0.9 million, representing a decrease of approximately US\$0.8 million from approximately US\$1.7 million in 2017. Non-IFRS adjusted profit attributable to owners of the Company⁽¹⁾ amounted to approximately US\$3.6 million, representing a decrease of approximately US\$2.9 million as compared with approximately US\$6.5 million in 2017.

Revenue

In 2018, revenue of the Group amounted to approximately US\$24.2 million, representing a decrease of approximately US\$4.4 million or 15.4% as compared with approximately US\$28.6 million in 2017. The main reason for the decrease in revenue was the suspension of the approval process by the PRC competent authority from March 2018 to the end of 2018 for new online games, which dampened the enthusiasm of game developers to develop new games and resulted in the reduction of the number of products supplied by domestic game developers and the slowdown of the updating progress of existing game products. Such temporary adjustments on the administrative process imposed a negative impact on our new game releases and existing game updates.

Cost of Revenue and Gross Profit Margin

In 2018, cost of revenue of the Group amounted to approximately US\$10.8 million, representing a decrease of approximately US\$1.9 million or 15.0% as compared with US\$12.7 million in 2017. The gross profit margin slightly declined to 55% in 2018 from 56% in 2017.

財務回顧

概覽

於二零一八年，本公司擁有人應佔溢利約為0.9百萬美元，較二零一七年1.7百萬美元減少了約0.8百萬美元。本公司擁有人應佔非國際財務報告準則經調整溢利⁽¹⁾約為3.6百萬美元，較二零一七年的約6.5百萬美元減少約2.9百萬美元。

收入

於二零一八年，本集團收入約24.2百萬美元，較二零一七年的約28.6百萬美元減少約4.4百萬美元或15.4%。收入減少主要是由於自二零一八年三月至二零一八年末，中國主管機關暫停了對新網絡遊戲的版號審批，降低了遊戲開發者開發新遊戲的積極性，導致國內遊戲開發廠商供應的產品數量減少，原有遊戲產品的更新進度放緩。上述行政措施的暫時調整，對我們的新遊戲發行和原有遊戲版本更新帶來不利影響。

收入成本及毛利率

於二零一八年，本集團的成本約為10.8百萬美元，較二零一七年的約12.7百萬美元減少約1.9百萬美元或15.0%。毛利率則由二零一七年的56%輕微下降至二零一八年的55%。

⁽¹⁾ Non-IFRS adjusted profit attributable to owners of the Company was derived from the profit for the year, excluding listing expenses and share-based payments of the Company.

⁽¹⁾ 本公司擁有人應佔非國際財務報告準則經調整溢利乃從年內溢利計算得出，不包括本公司的上市開支及股份為基礎付款。





MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Other Gains/(Losses), Net

In 2018, other gains of the Group amounted to approximately US\$0.7 million, representing an increase of approximately US\$1.2 million as compared with other losses amounted to approximately US\$0.5 million in 2017. This was primarily due to other gains from termination of a licensing agreement and the foreign exchange gains for transactions conducted in currencies depreciated against U.S. dollars.

Selling and Marketing Expenses

In 2018, selling and marketing expenses of the Group amounted to approximately US\$5.4 million, representing an increase of approximately US\$2.0 million or 58.8% from approximately US\$3.4 million in 2017. The increase in selling and marketing expenses was mainly due to more expenditure in advertising and marketing promotion for promoting new games in new regional markets and share-based payments attributable to the share option scheme starting from 2018.

Administrative Expenses

In 2018, administrative expenses of the Group amounted to approximately US\$5.0 million, representing a decrease of approximately US\$2.5 million or 33.3% compared with approximately US\$7.5 million in 2017, which was mainly due to the net effect that no listing expense for the IPO was incurred in 2018 (2017: approximately US\$4.8 million) and share-based payments attributable to the share option scheme starting from 2018 in the amount of approximately US\$1.5 million.

Research and Development Expenses

In 2018, research and development expenses of the Group amounted to approximately US\$1.5 million, representing an increase of approximately US\$1.0 million or 200% compared with approximately US\$0.5 million in 2017. The increase was mainly due to the increase in research and development labor cost and share-based payments attributable to the share option scheme starting from 2018.

其他收益／(虧損) 淨額

於二零一八年，本集團的其他收益約為0.7百萬美元，較二零一七年的其他虧損約0.5百萬美元增加約1.2百萬美元，主要由於來自終止授權協議的其他收益，以及進行交易的貨幣兌美元貶值而引致匯兌收益。

銷售及營銷開支

於二零一八年，本集團的銷售及營銷開支約為5.4百萬美元，較二零一七年的約3.4百萬美元增加約2.0百萬美元或58.8%。銷售及營銷開支增加，主要由於在新的地區市場推廣新遊戲，而令廣告及營銷支出增加，及從二零一八年開始的員工股權激勵計劃成本。

行政開支

於二零一八年，本集團的行政開支約為5.0百萬美元，較二零一七年的約7.5百萬美元減少約2.5百萬美元或33.3%，主要原因是二零一八年未發生首次公開發售的上市開支（二零一七年：約4.8百萬美元）及二零一八年開始的員工股權激勵計劃成本（金額為約1.5百萬美元）的淨影響。

研發開支

於二零一八年，本集團的研發開支約為1.5百萬美元，較二零一七年的約0.5百萬美元增加約1.0百萬美元或200%。上述增加主要由於研發人員人工支出增加，以及於二零一八年開始的員工股權激勵計劃成本所致。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Profit Attributable to Owners of the Company

In 2018, profit attributable to owners of the Company amounted to approximately US\$0.9 million, representing a decrease of approximately US\$0.8 million or 47.1% compared with approximately US\$1.7 million in 2017. The decrease was mainly due to the decrease in gross profit and share-based payments attributable to the share option scheme starting from 2018.

Non-IFRS Adjusted Profit Attributable to Owners of the Company

To supplement this annual report which is presented in accordance with the IFRS, we also use non-IFRS adjusted profit attributable to owners of the Company as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business.

In 2018, non-IFRS adjusted profit attributable to owners of the Company amounted to approximately US\$3.6 million, representing a decrease of approximately US\$2.9 million or 44.6% as compared with approximately US\$6.5 million in 2017. The decrease was primarily due to the decrease in gross profit for 2018. Our non-IFRS adjusted profit attributable to owners of the Company for 2018 and 2017 was derived from profit attributable to owners of the Company for the respective years excluding the share-based payments attributable to the share option scheme of approximately US\$2.6 million in 2018 and listing expenses approximately US\$4.8 million in 2017, respectively.

Income Tax Expense

In 2018, income tax expense of the Group amounted to approximately US\$1.1 million, representing a decrease of approximately US\$1.2 million or 52.2% as compared with approximately US\$2.3 million in 2017. The decrease in income tax expense was primarily due to the decrease of profit before income tax in 2018.

本公司擁有人應佔溢利

於二零一八年，本公司擁有人應佔溢利約為0.9百萬美元，較二零一七年的約1.7百萬美元減少約0.8百萬美元或47.1%。上述減少主要是由於二零一八年毛利減少及員工股權激勵計劃成本所致。

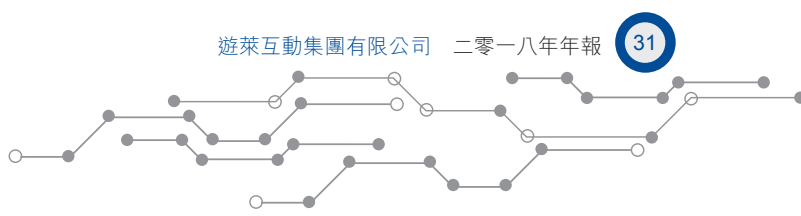
本公司擁有人應佔非國際財務報告準則經調整溢利

為補充此份根據國際財務報告準則呈列的年報，我們亦使用本公司擁有人應佔非國際財務報告準則經調整溢利作為額外的財務計量，藉此消除我們認為對我們的業務表現並無指標意義的項目之影響，以評估我們的財務業績。

於二零一八年，本公司擁有人應佔非國際財務報告準則經調整溢利約為3.6百萬美元，較二零一七年的約6.5百萬美元減少了約2.9百萬美元或44.6%。上述減少主要是由於二零一八年毛利減少。我們於二零一八年及二零一七年的本公司擁有人應佔非國際財務報告準則經調整溢利乃根據有關年度本公司擁有人應佔溢利計算得出，而不包括於二零一八年的購股權計劃所產生的以股份為基礎付款約2.6百萬美元，以及於二零一七年的上市開支約4.8百萬美元。

所得稅開支

於二零一八年，本集團所得稅開支約為1.1百萬美元，較二零一七年的約2.3百萬美元減少約1.2百萬美元或52.2%。所得稅開支減少，主要由於二零一八年度除所得稅前利潤下降。





MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Liquidity and Source of Funding and Borrowing

As at December 31, 2018, the Group's total bank balances and cash amounted to approximately US\$32.6 million, representing a decrease of 25.9% as compared with US\$44.0 million as at December 31, 2017. The decrease in total bank balances and cash during the year under review was primarily resulted from our prepayment for the shares to be issued by Nouveau Capital Partners Corp. to the Company at a total consideration of US\$3.5 million in April 2018, expenses for the renovation of the Group's new headquarter building, payment for licensing fee and payment for financial assets at fair value through other comprehensive income.

As at December 31, 2018, the current assets of the Group amounted to approximately US\$51.5 million, including bank balances and cash of approximately US\$32.6 million and other current assets of approximately US\$18.9 million. Current liabilities of the Group amounted to approximately US\$10.4 million, including trade payables and contract liabilities of approximately US\$7.0 million and other current liabilities of approximately US\$3.4 million. As at December 31, 2018, the current ratio (the current assets to current liabilities ratio) of the Group was 5.0 as compared with 4.5 as at December 31, 2017.

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group did not have any bank borrowings and other debt financing obligations as at December 31, 2018 and the resulting gearing ratio was nil (2017: nil). The Group intends to finance the expansion, investments and business operations with internal resources.

Material Investments

For the year ended December 31, 2018, the Company made a prepayment of approximately US\$3.5 million for the shares to be issued by Nouveau Capital Partners Corp. to the Company, details of which are set out in the Company's announcement dated April 22, 2018; and the Company invested approximately US\$2.6 million to acquire certain ordinary shares of FingerTango Inc., a company listed on the Main Board of the Stock Exchange (stock code: 6860).

流動資金及融資和借款來源

於二零一八年十二月三十一日，本集團的銀行結餘及現金總額約為32.6百萬美元，較二零一七年十二月三十一日的約44.0百萬美元減少25.9%。回顧年度內銀行結餘及現金總額減少，主要由於本公司於二零一八年四月預付總對價為3.5百萬美元的將由 Nouveau Capital Partners Corp. 向本公司發行的股份、新的集團總部大樓裝修費用、支付授權金及投資於以公允價值計量且其變動計入其他全面收益的金融資產所致。

於二零一八年十二月三十一日，本集團的流動資產約為51.5百萬美元，包括銀行結餘及現金約32.6百萬美元以及其他流動資產約18.9百萬美元。本集團的流動負債約為10.4百萬美元，包括貿易應付款項及合約負債約7.0百萬美元以及其他流動負債約3.4百萬美元。於二零一八年十二月三十一日，本集團的流動比率（按流動資產除以流動負債計算）為5.0，而於二零一七年十二月三十一日則為4.5。

資產負債比率乃根據借款總額（經扣除現金及現金等價物）除以本集團的權益總額計算。本集團於二零一八年十二月三十一日並無任何銀行借款及其他債務融資責任，因此資產負債比率為零（二零一七年：零）。本集團有意以內部資源為擴展、投資及業務營運提供所需資金。

重大投資

本公司於截至二零一八年十二月三十一日止年度，就 Nouveau Capital Partners Corp. 將向本公司發行的股份作出預付款約3.5百萬美元（有關詳情請參閱本公司日期為二零一八年四月二十二日的公告）；及本公司斥資約2.6百萬美元收購指尖悅動控股有限公司（一家在聯交所主板上市的公司）（股份代號：6860）若干普通股。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析（續）

Material Acquisitions

The Group did not have any material acquisition during the year ended December 31, 2018.

Material Disposals

The Group did not have any material disposal of subsidiaries or associated companies during the year ended December 31, 2018.

Pledge of Assets

As at December 31, 2018, none of the Group's assets was pledged (2017: nil).

Contingent Liabilities

The Group had no material contingent liabilities as at December 31, 2018 (2017: nil).

Foreign Exchange Exposure

During the year ended December 31, 2018, the Group mainly operated in the global market and majority of its transactions were settled in U.S. dollars, being the functional currencies of the group entities to which the transactions relate. We currently do not hedge transactions undertaken in foreign currencies but manage our exposure through constant monitoring to limit as much as possible the amount of our foreign currencies exposures. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. We have certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of our foreign operations is low. As at December 31, 2018, the Group did not have significant foreign currency exposure from its operations.

重大收購

本集團於截至二零一八年十二月三十一日止年度並無任何重大收購。

重大出售

本集團於截至二零一八年十二月三十一日止年度並無任何有關附屬公司或聯營公司的重大出售。

資產抵押

於二零一八年十二月三十一日，本集團並無任何資產作抵押（二零一七年：無）。

或然負債

本集團於二零一八年十二月三十一日並無重大或然負債（二零一七年：無）。

匯兌風險

於截至二零一八年十二月三十一日止年度，本集團主要在全球市場營運，而其大部分交易均以美元結算，而美元為交易相關的集團實體的功能貨幣。我們現時並無就以外幣進行的交易進行對沖，而是透過定期監察管理風險，以盡可能限制外幣風險的金額。當未來商業交易及經確認資產及負債的計值貨幣並非該實體的功能貨幣，則會出現外匯風險。我們於境外營運有若干投資，其淨資產面臨外幣換算風險。由境外營運淨資產所產生的貨幣風險較低。於二零一八年十二月三十一日，本集團並無因其營運而面對重大外幣風險。



CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to achieving and maintaining high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound corporate governance policies and measures, and the Board is responsible for performing such corporate governance duties. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to employees and Directors, with reference to the Code set out in Appendix 14 to the Listing Rules and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

During the year ended December 31, 2018, the Company has complied with the applicable code provisions of the Code as set out in Appendix 14 to the Listing Rules other than code provision A.2.1, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. LU Yuanfeng is our chairman and chief executive officer. With extensive experience in the internet industry, Mr. LU Yuanfeng is responsible for the overall strategic planning and general management of the Group and is instrumental to the Company's growth and business expansion since its establishment on November 24, 2014. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced individuals. The Board currently comprises three executive Directors, including Mr. LU Yuanfeng, and three independent non-executive Directors, and therefore has a fairly strong independence element in its composition.

本公司透過專注於持正、問責、透明、獨立、盡責及公平原則，致力於達致及維持高水準的企業管治。本公司已制定及實行良好的企業管治政策及措施，並由董事會負責執行該等企業管治職責。董事會將參考上市規則附錄十四所載的守則以及其他適用法例及監管規定，持續檢討及監督本公司的企業管治狀況以及多項內部政策及程式（包括但不限於適用於僱員及董事的該等政策及程式），以維持本公司高水準的企業管治。

於截至二零一八年十二月三十一日止年度，本公司已遵守上市規則附錄十四所載該守則的適用守則條文，惟守則條文第A.2.1條規定主席與行政總裁的角色應有區分，並不應由一人同時兼任的規定則除外。

陸源峰先生為本公司的主席兼首席執行官。陸源峰先生在互聯網行業擁有豐富經驗，負責本集團整體戰略規劃及整體管理，且自本公司於二零一四年十一月二十四日成立以來對本公司成長及業務擴張貢獻良多。董事會認為，主席及首席執行官的角色由同一人擔任有利於本集團。由經驗豐富的人才組成的高級管理層及董事會營運可確保權力與職權平衡。董事會目前由三名執行董事（包括陸源峰先生）及三名獨立非執行董事組成，因此其構成的獨立程度相當大。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

BOARD OF DIRECTORS

The Board is responsible for leadership and the internal control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board has general powers for the management and operation of the Company's business. The day-to-day operations and management are delegated by the Board to the management of the Company, who will implement the strategy and direction as determined by the Board.

The Board currently consists of six Directors, namely Mr. LU Yuanfeng (chairman and chief executive officer), Mr. HUANG Guozhan and Mr. HUANG Deqiang as executive Directors, and Mr. Darren Raymond SHAW ("Mr. SHAW"), Mr. LI Yi Wen ("Mr. LI") and Ms. Imma LING Kit-sum ("Ms. LING") as independent non-executive Directors. None of the Directors has a relationship (including financial, family or other substantial or related relationship) with each other. The Board has a balance of skills and experience appropriate for the requirements of the business of the Company.

The biographies of the Directors the Company are set out on pages 18 to 22 of this annual report.

Each of the executive Directors has entered into a service contract with the Company and the Company has issued letters of appointment to each of the independent non-executive Directors. Each of Mr. SHAW, Mr. LI and Ms. LING was re-elected as an independent non-executive Director on June 22, 2018. All of the executive Directors and independent non-executive Directors shall hold offices until the conclusion of the next annual general meeting of the Company.

Code provision A.4.1 of the CG Code stipulates that non-executive Directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

董事會

董事會負責本公司的領導及內部監控，和監督本集團的業務、戰略決策及表現，並共同負責透過指導及監督本公司事務，促進本公司的成功。董事會擁有管理及營運本公司業務的一般權力。董事會將日常經營及管理授權予本公司管理層負責，管理層將執行董事會釐定的策略及方針。

董事會目前由六名董事組成，即執行董事陸源峰先生（主席兼首席執行官）、黃國湛先生及黃德強先生以及獨立非執行董事邵在純先生（「邵先生」）、李毅文先生（「李先生」）及凌潔心女士（「凌女士」）。董事之間概無關係（包括財務、家屬或其他重大或相關關係）。董事會具備本公司業務所需的適當技能及經驗。

本公司董事履歷載於本年報第18至22頁。

執行董事各自與本公司訂立服務合約，而本公司則向各獨立非執行董事發出委任函。邵先生、李先生及凌女士已各自於二零一八年六月二十二日重選連任為獨立非執行董事。所有執行董事及獨立非執行董事的任期直至本公司下屆股東週年大會結束時為止。

企業管治守則的守則條文第A.4.1條規定，非執行董事應按特定任期獲委任，並可重選連任，惟守則條文第A.4.2條列明，為填補臨時空缺而獲委任的所有董事應於獲委任後首個股東大會上由股東重選，而每名董事（包括按特定任期獲委任者）應至少每三年輪席退任一次。



CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

In accordance with the Articles, all the Directors are subject to retirement by rotation at least once every three years. Any new Director appointed by the Board (i) to fill a casual vacancy in the Board shall hold office only until the first general meeting of the Company following his appointment and shall be subject to re-election at such meeting; and (ii) as an addition to the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years or until the third annual general meeting of the Company since the Listing Date (whichever is sooner) and is subject to retirement by rotation at an annual general meeting at least once every three years. These letters of appointment are subject to termination in accordance with their respective terms. Mr. SHAW, Mr. LI and Ms. LING will be for a term of three years start from the date on which dealings in shares of the Company commence on the Stock Exchange, renewable by mutual consent. The term of the letters of appointment may be renewed in accordance with the Articles, the Listing Rules and other applicable laws.

The aggregate remuneration (including fees, salaries, contributions to pension schemes, share-based compensation expenses, discretionary bonuses, housing and other allowances and other benefits in kind) payable to the Directors for the year ended December 31, 2018 was approximately USD0.3 million.

The remuneration of the Directors is determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group. Details of the remuneration of the Directors for the year ended December 31, 2018 are set out in Note 33 to the consolidated financial statements.

The Company has arranged appropriate insurance cover in respect of legal proceedings against the Directors.

The procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense as required pursuant to Code A.1.6 of the Code.

根據組織章程細則，所有董事應至少每三年輪席退任一次。獲董事會委任(i)以填補董事會臨時空缺的任何新董事應僅任職至其獲委任後的本公司首個股東大會為止，而屆時可在該大會上重選連任；及(ii)出任新增董事會席位的任何新董事可任職至本公司下一屆股東週年大會為止，屆時將合資格重選連任。

各獨立非執行董事已與本公司簽訂委任函，初步任期為三年或自上市日期至本公司第三屆股東週年大會為止（以較早者為準），並須至少每三年在股東週年大會上輪席退任一次。該等委任函可根據彼等各自的條款終止。邵先生、李先生及凌女士的任期自本公司股份在聯交所上市起計為期三年，並可經雙方同意而續期。委任函年期可根據組織章程細則、上市規則及任何其他適用法例重續。

截至二零一八年十二月三十一日止年度，應付董事的總薪酬（包括袍金、薪金、養老金計劃供款、以股份為基礎的薪酬開支、酌情花紅、住房及其他津貼以及其他實物福利）合共約為0.3百萬美元。

董事薪酬乃參考可資比較公司所支付的薪金、董事投入的時間及職責以及本集團的表現釐定。截至二零一八年十二月三十一日止年度的董事的薪酬詳情載於合併財務報表附註33。

本公司已就針對董事的法律行動安排適當的保險。

董事會已同意守則第A.1.6條所規定的程序，讓董事可在提出合理要求時，在適當情況下尋求獨立專業意見，有關費用由本公司承擔。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

During the year ended December 31, 2018 and up to the date of this annual report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board, of whom Ms. Imma LING Kit-sum is the Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has received a written confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent.

The Directors have access to the services of the joint company secretaries to ensure that the Board procedures are followed. The joint company secretaries of the Company are Mr. Yu Ching Ming and Ms. Ng Wing Yan. In compliance with Rule 3.29 of the Listing Rules, Mr. Yu Ching Ming and Ms. Ng Wing Yan have undertaken no less than 15 hours of relevant professional training during the year ended December 31, 2018. Ms. Ng Wing Yan is the assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited and appointed as the joint company secretary. Starting from June 8, 2018, Ms. Ko Nga Kit ceased to be one of our joint company secretaries following her resignation from SWCS Corporate Service Group (Hong Kong) Limited, and Ms. Ng Wing Yan replaced Ms. Ko Nga Kit as the joint company secretary of the Company with effect from June 8, 2018. After the aforesaid service termination, Mr. Yu Ching Ming and Ms. Ng Wing Yan continued to act as the joint company secretaries of the Company. Ms. Ng Wing Yan has the necessary qualifications and experience as required under Rule 3.28 and 8.17 of the Listing Rules. The main contact person of Ms. Ng Wing Yan in the Company is Mr. Lu Yuanfeng.

All Directors attended various trainings during the year ended December 31, 2018, including trainings regarding the updating of the Listing Rules, the responsibilities and continuous obligations of Directors and the Environmental, Social and Governance Reporting Guide. The Company had arranged suitable trainings for all Directors in order to develop and refresh their knowledge and skills as part of their continuous professional development.

The Company is committed to continuously reviewing and improving its internal systems, including those in relation to internal supervision and control, and risk management.

The details of the board diversity policy are set out in the Company's website.

於截至二零一八年十二月三十一日止年度及直至本年報日期，董事會已一直符合上市規則有關委任最少三名獨立非執行董事（佔董事會三分之一）之規定，其中凌潔心女士具有所需的合適專業資格或會計或相關財管理專業知識。

本公司已遵守上市規則第3.10A條有關委任佔董事會至少三分之一的獨立非執行董事的規定。

本公司已根據上市規則第3.13條收到各獨立非執行董事的獨立性書面確認，並認為彼等為獨立人士。

董事可獲得聯席公司秘書的服務，以確保遵循董事會程式。本公司的現任聯席公司秘書為余精明先生及伍穎欣女士。根據上市規則第3.29條，余精明先生及伍穎欣女士於截至二零一八年十二月三十一日止年度已參加不少於15小時相關專業培訓。伍穎欣女士為方圓企業服務集團（香港）有限公司的副總監，並獲委任為聯席公司秘書。自二零一八年六月八日起，我們其中一位前聯席公司秘書高雅潔女士在其從方圓企業服務集團（香港）有限公司辭任後不再擔任本公司聯席公司秘書，而伍穎欣女士自二零一八年六月八日起取代高雅潔女士成為本公司聯席秘書。於上述職務終止後，余精明先生以及伍穎欣女士繼續擔任本公司的聯席公司秘書。伍穎欣女士具有上市規則3.28條及第8.17條所規定的必要資格及經驗。伍穎欣女士於本公司的主要聯絡人為陸源峰先生。

截至二零一八年十二月三十一日止年度內，所有董事均參與多項培訓，包括關於上市規則修訂、董事責任及持續義務及《環境、社會及管治報告指引》等培訓。本公司已為全體董事安排合適的培訓，旨在作為彼等持續專業發展的一部分及更新其知識及技能。

本公司將持續對本公司之內部系統，包括有關內部監督、控制及風險管理的系統，進行檢討和改善。

有關董事會成員多元化政策詳情已刊載於本公司網站內。



CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

Board Meeting

The Company adopts a practice to convene Board meetings regularly which is at least four meetings per year and roughly on a quarterly basis. A notice of a regular Board meeting shall be delivered to all the Directors at least 14 days in advance with the matters to be discussed specified in agenda of the meeting. For other Board and committee meetings, reasonable notice is generally served. Agendas or relevant documents of the Board or committee meetings shall be despatched to the Directors or members of the committees at least 3 days prior to the convening of the meetings to ensure that they have sufficient time to review the relevant documents and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. The minutes are kept by the joint company secretaries of the Company and the copies are circulated to all Directors for reference and record purpose.

The minutes of the Board meetings and committees thoroughly were recorded all matters under consideration and decisions made including any problems raised by the Directors. Draft minutes of each board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Directors have a right to review the minutes of the Board meetings and the committee meetings.

According to code provision A.1.1 of the Code, board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

董事會會議

本公司採納定期舉行董事會會議的慣例，即每年至少舉行四次會議及大致按季度舉行會議。董事會例行會議的通知會於會議舉行前至少14日送呈全體董事，並於會議的議程內列明有關事宜。就其他董事會及委員會會議而言，本公司一般會發出適當通知。議程及相關董事會或委員會文件將於會議召開前至少3日發送予董事或委員會成員，以確保彼等有充足時間審閱有關文件及有充份準備出席會議。倘董事或委員會成員未能出席會議，則彼等會獲告知將予討論的事宜及於會議召開前有機會知會主席有關彼等的意見。會議記錄由本公司聯席公司秘書保存，而副本會議全體董事傳閱，以供參考及記錄。

董事會會議及董事委員會會議的會議記錄會詳盡記錄董事會及董事委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事委員會會議的會議記錄草擬本將於會議舉行當日之後的合理時間內發送予各董事，以供彼等評註。董事有權查閱董事會會議及董事委員會會議的會議記錄。

根據企業管治守則的守則條文第A.1.1條，董事會會議應最少一年舉行四次，大概每季度舉行一次，而大部分董事均須踴躍參與，可親身或透過電子通訊方式出席會議。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

Four Board meetings and the AGM for 2018 were held in the financial year ended December 31, 2018. The Directors' attendance is listed below:

本公司在截至二零一八年十二月三十一日的財政年度內已舉行四次董事會會議及二零一八年股東週年大會，各董事之出席情況載列如下：

		Number of meetings attended 出席次數	
		Board meeting 董事會會議	AGM for 2018 二零一八年 股東週年大會
Executive Director	執行董事		
Mr. Lu Yuanfeng	陸源峰先生	4/4	1/1
Mr. Huang Guozhan	黃國湛先生	4/4	1/1
Mr. Huang Deqiang	黃德強先生	4/4	1/1
Non-executive Director	非執行董事		
Mr. Meng Shuqi (resigned with effect from December 27, 2018)	孟書奇先生 (於二零一八年十二月二十七日辭任)	2/4	1/1
Independent non-executive Director	獨立非執行董事		
Mr. Darren Raymond Shaw	邵在純先生	2/4	1/1
Mr. Li Yi Wen	李毅文先生	2/4	1/1
Ms. Imma Ling Kit-sum	凌潔心女士	2/4	1/1



CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

BOARD COMMITTEES

The Company has three principal Board Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. Each of the Board Committees operates under its terms of reference. The terms of reference of the Board Committees are available on the website of the Company and that of the Stock Exchange.

Audit Committee

The Company establishes an Audit Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Company has also updated the terms of reference of the Audit Committee reflecting the changes to the Code in respect of the Company's risk management and internal control systems, and which became effective on November 24, 2017. The Company further amended the terms of reference of the Audit Committee on November 23, 2018. The Audit Committee consists of three members, namely Mr. Darren Raymond Shaw, Mr. Li Yi Wen and Ms. Imma Ling Kit-sum, our independent non-executive Directors. Ms. Imma Ling Kit-sum is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise, and to provide an independent view of the effectiveness of, the financial reporting process and the risk management and internal control systems of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

Two meetings of the Audit Committee were held during the year ended December 31, 2018. The attendance of the committee members is listed below:

Members	成員	Number of meetings attended	出席次數
Ms. Imma Ling Kit-sum	凌潔心女士	2/2	
Mr. Li Yi Wen	李毅文先生	2/2	
Mr. Darren Raymond Shaw	邵在純先生	2/2	

董事委員會

本公司設有三個主要董事委員會，即審核委員會、提名委員會及薪酬委員會。各個董事委員會均按其職權範圍運作。董事委員會的職權範圍於本公司及聯交所網站可供查閱。

審核委員會

本公司根據上市規則附錄十四所載該守則成立審核委員會，並訂立書面職權範圍。本公司亦已更新審核委員會的職權範圍，反映對守則中有關本公司的風險管理及內部控制系統的修訂，並自二零一七年十一月二十四日起生效。於二零一八年十一月二十三日，本公司進一步修訂了審核委員會的職權範圍。審核委員會由三名成員組成，即獨立非執行董事邵在純先生、李毅文先生及凌潔心女士。凌潔心女士為審核委員會的主席。審核委員會的主要職責為檢討及監督本集團的財務報告流程、風險管理及內部控制系統並就有關事項的有效性提供獨立意見、監察審計流程，以及履行董事會指派的其他職責及責任。

於截至二零一八年十二月三十一日止年度，審核委員會已舉行兩次會議。各成員之出席情況載列如下：

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

Nomination Committee

The Company establishes a Nomination Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Nomination Committee consists of two independent non-executive Directors, being Mr. Darren Raymond Shaw and Mr. Li Yi Wen, and one executive Director, being Mr. Lu Yuanfeng, who is the chairman of the Nomination Committee.

The Nomination Committee is responsible for reviewing and assessing the composition of the Board and the independence of the independent non-executive Directors and making recommendations to the Board on appointment and removal of Directors. In recommending candidates for appointment to the Board, the Nomination Committee will convene a meeting to consider candidates on merit against objective criteria and with due regards to the benefits of the Board. The Nomination Committee shall make recommendations or nominations to the Board for candidates to fill temporarily vacant or who are elected at a general meeting. A notice issued to shareholders will provide information on the candidates. The Board shall make the final decision on all matters in respect of the election of its proposed candidates at any general meeting. The selection criteria for Board members will be considered from a number of perspectives, including but not limited to all aspects of integrity, achievement, experience and diversity, such as gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

One meeting of the Nomination Committee was held during the year ended December 31, 2018.

提名委員會

本公司根據上市規則附錄十四所載該守則成立提名委員會，並訂立書面職權範圍。提名委員會由兩名獨立非執行董事（即邵在純先生及李毅文先生）及一名執行董事（即陸源峰先生）組成。陸源峰先生為提名委員會的主席。

提名委員會負責檢討及評估董事會的組成及獨立非執行董事的獨立性，以及就委任及罷免董事向董事會提供推薦意見。於推薦人選以委任加入董事會時，提名委員會將召開會議按客觀條件考慮人選，並適度顧及董事會的裨益。提名委員會須分別就臨時空缺或在股東大會上參選的候選人，向董事會提出建議或提名。向股東發出的股東通告將提供候選人的資料。董事會在任何股東大會上就其建議候選人參選的所有事宜作出最終決定。董事會成員的選拔標準將從多個方面進行考慮，包括但不限於誠信、成就、經驗和多樣性的所有方面，例如：性別、年齡、文化及教育背景、道德、專業技能及／或資格、知識、服務年期及擔任董事的時間。本公司亦將計及與其本身業務模式及不時的具體需求有關的因素。最終決定將以用人唯才為原則，並考慮所挑選的人選將對董事會作出的貢獻。

於截至二零一八年十二月三十一日止年度，提名委員會已舉行一次會議。

Members	成員	Number of meetings attended 出席次數
Mr. Lu Yuanfeng	陸源峰先生	1/1
Mr. Li Yi Wen	李毅文先生	1/1
Mr. Darren Raymond Shaw	邵在純先生	1/1



CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

Remuneration Committee

The Company establishes a Remuneration Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee has three members, comprising two independent non-executive Directors, namely Mr. Darren Raymond Shaw and Mr. Li Yi Wen, and one executive Director, namely Mr. Lu Yuenfeng. Mr. Li Yi Wen is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations to the Board on employee benefit arrangement.

One meeting of the Remuneration Committee was held during the year ended December 31, 2018.

薪酬委員會

本公司根據上市規則附錄十四所載該守則成立薪酬委員會，並訂立書面職權範圍。薪酬委員會擁有三名成員，包括二名獨立非執行董事（即邵在純先生及李毅文先生）及一名執行董事（即陸源峰先生）。李毅文先生為薪酬委員會的主席。薪酬委員會的主要職責為建立並檢討董事及高級管理層薪酬的政策及架構，以及就僱員福利安排作出推薦建議。

於截至二零一八年十二月三十一日止年度，薪酬委員會已舉行一次會議。

Members	成員	Number of meetings attended 出席次數
Mr. Li Yi Wen	李毅文先生	1/1
Mr. Lu Yuanfeng	陸源峰先生	1/1
Mr. Darren Raymond Shaw	邵在純先生	1/1

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuer” (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the year under review. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year under review.

FRAMEWORK FOR DISCLOSURE OF INSIDE INFORMATION

The Company has in place a policy on handling and dissemination of inside information (the “**Policy**”) which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to determine the price of the listed securities of the Company with the latest available information. This Policy also provides guidelines to staff of the Company to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the Listing Rules.

EXTERNAL AUDITOR

PricewaterhouseCoopers has been appointed as the external auditor of the Company with effect from December 8, 2017, and there has been no change in the external auditor of the Company since the Listing Date.

For the year ended December 31, 2018, the fees paid/payable to PricewaterhouseCoopers for audit and non-audit services (primarily related to tax advisory services and due diligence services) are approximately USD660,500 and USD68,000, respectively.

證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）作為董事、本集團高級管理層（彼等因有關職位或受僱工作而可能擁有有關本集團或本公司證券之內幕消息）買賣本公司證券的行為守則。

經作出具體查詢後，全體董事均確認彼等於回顧年度內已遵守標準守則。此外，本公司並未獲悉本集團高級管理層於回顧年度內有任何不遵守標準守則之情況。

內幕信息披露框架

本公司訂立處理及發佈內幕消息政策（「**政策**」），當中載有處理及發佈內幕消息的程式及內部監控，使內幕消息得以適時處理及發佈，而不會導致任何人士在證券交易上處於佔優的地位，亦讓市場有時間定出能反映現有實況的本公司上市證券價格。該政策亦為本公司員工提供指引，確保設有適當措施以預防本公司違反法定披露規定。該政策亦載有適當的內部監控及匯報制度，以識別及評估潛在的內幕消息。本公司內幕消息之發佈方法乃根據上市規則規定，於聯交所及本公司網站刊載相關消息。

外部核數師

羅兵咸永道會計師事務所已獲委任為本公司的外部核數師，自二零一七年十二月八日起生效，及自上市日期以來本公司的外部核數師未有變化。

截至二零一八年十二月三十一日止年度，就審計及非審計服務（主要關於稅務諮詢服務和盡職調查服務）已付／應付予羅兵咸永道會計師事務所的費用分別約為660,500美元及68,000美元。



CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of the financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flow during the year ended December 31, 2018. A statement from the auditor about its reporting responsibilities on the financial statements is set out on pages 94 to 101 of this annual report. In preparing the financial statements for the year ended December 31, 2018, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimated that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The basis on which the Company generates or preserves value over the longer term and the strategy for delivering its objectives are explained in the "Management Discussion and Analysis" set out on pages 25 to 33 of this annual report.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control and risk management systems in order to safeguard the Group's assets and Shareholders' interests and reviewing the effectiveness of the Group's internal control and risk management systems on an annual basis so as to ensure that internal control and risk management systems in place are adequate. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company also has an internal audit function which primarily carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis. The Company implements and strictly enforces procedures on inside information according to the relevant procedures stated under the Guidelines on Disclosure of Inside Information.

問責及審計

董事負責監督財務報表的編製工作，以真實公平地反映本集團的財務狀況以及截至二零一八年十二月三十一日止年度的業績及現金流量。核數師就其對財務報表的申報責任的聲明乃載於本年報第94至101頁。於編製截至二零一八年十二月三十一日止年度的財務報表時，董事已選擇合適的會計政策並貫徹應用；作出審慎、公平及合理的判斷及估計；並按持續基準編製財務報表。

董事並不知悉任何可能會嚴重影響本集團持續經營能力的重大不明朗事件或情況。

本公司長期產生或保存價值的基準及達成目標的策略詳述於本年報第25至33頁所載「管理層討論及分析」。

內部控制及風險管理

董事會負責維持健全和有效的內部控制及風險管理系統，以保障本集團的資產及股東的利益，亦負責每年監控本集團的內部控制及風險管理系統的有效性，以確保現行的內部控制及風險管理系統為充分足夠。有關系統旨在管理而非消除未能達致業務目標之風險，僅可就重大錯誤陳述或損失提供合理而非絕對保障。本公司亦有內部審核職能，主要負責對本公司的風險管理及內部控制系統之充分性和有效性進行分析及獨立評核，並（至少按年度）向董事會報告結果。本公司根據所制定的《上市內幕信息披露制度》所規定之相應程序進行內幕信息之處理及嚴格執行。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

The Group's internal control system includes a well-established organisational structure with clearly defined lines of responsibility and authority. The day-to-day departmental operations are entrusted to individual department which is accountable for its own conduct and performance and is required to operate its own department's business within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. Each department is also required to keep the Board informed of material developments of the department's business and implementation of the policies and strategies set by the Board on a regular basis so as to identify, evaluate and manage significant risks in a timely manner.

During the year ended December 31, 2018, the Board has reviewed the effectiveness of the internal control and risk management systems of the Group to ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards. The review covered all material controls, including financial, operational and compliance controls and risk management functions. In particular, the Board considered the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate. The review was conducted through discussions with the management of the Company, its external and internal auditors and the assessment performed by the Audit Committee. The Board believes that the existing risk management and internal control systems are adequate and effective, in particular, for financial reporting and Listing Rules compliance as well as for resolving internal control defects (if any).

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Articles were conditionally adopted by the Board on November 24, 2017 and became effective on the Listing Date. A copy of the Articles is available on the websites of the Company and the Stock Exchange. Since the Listing Date up to the date of this annual report, there was no significant change in constitutional documents of the Company.

本集團的內部控制系統包括完善、具清晰界定責任及權限的組織架構。部門的日常營運由個別部門運作，且各部門就其各自的操守和表現負責，按授予的權限進行個別部門業務，執行及謹守本公司不時訂立的策略和政策。各部門亦須要定期就部門業務的重要發展及董事會訂立的政策和策略之實行情況向董事會通報，以及及時識別、評估及管理重大風險。

於截至二零一八年十二月三十一日止年度內，董事會已檢討本集團內部監控及風險管理制度的有效性，以確保管理層根據協定程式及標準維持及管理一個運作良好的體系。檢討範圍應涵蓋所有重大控制（包括財務、營運及合規控制及風險管理職能）。尤其是，董事會認為本公司在會計、內部審計及財務申報職能方面擁有充足的資源、員工資格及經驗，以及員工所接受的培訓課程及有關預算亦相當充足。有關檢討已經由本公司管理層、外部及內部核數師討論以及由審核委員會進行評核。董事會認為現行的風險管理及內部控制系統（尤其就財務報告以及遵守上市規則方面）及解決內部監控缺失（如有）為足夠及有效。

章程文件變動

組織章程細則由董事會於二零一七年十一月二十四日有條件採納，並自上市日期起生效。組織章程細則的副本可於本公司及聯交所網站查閱。自上市日期起直至本年報日期，本公司的章程文件並無任何重大變動。



CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

SHAREHOLDERS

The Company is incorporated in the Cayman Islands. Pursuant to the Articles, general meetings shall also be convened on the written requisition of any one or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. Such meeting should be held within two months after the deposit of such requisition.

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

Under Article 58 of the Articles, any one or more Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may at all times have the right, by a written requisition to the Board or the company secretary of the Company, to require the convening of an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

股東

本公司於開曼群島註冊成立。根據本公司的組織章程細則，本公司任何一名或以上於提請要求當日持有不少於本公司繳足股本（賦有權利在本公司股東大會投票）十分之一的股東向本公司香港主要辦事處（倘本公司不再設置主要辦事處，則為註冊辦事處）發出書面要求後亦可召開股東大會，有關書面提請須列明大會事項並由提請人簽署。有關大會應於該要求送達後兩個月內舉行。

為保障股東權益及權利，於股東大會上，各項重大獨立議題（包括選舉個別董事）均以個別決議案作出提呈。所有於股東大會上提呈的決議案將根據上市規則以股數投票方式進行表決，投票結果將於各股東大會後刊載於本公司及聯交所網站。

根據組織章程細則第58條，一名或多名於遞呈請求當日持有不少於本公司有權於股東大會上投票之已繳股本十分之一的股東，於任何時候均有權以書面請求書形式向本公司的董事會或公司秘書提呈請求，以要求董事會就該請求書所指定的任何事務交易召開股東特別大會，而該大會須於遞呈該請求書後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈請求人士可以相同方式召開大會，而本公司須向遞呈請求人士償付所有由遞呈請求人士因董事會未能召開大會而產生的所有合理開支。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告（續）

The Board is not aware of any provision allowing the Shareholders to put forward proposals at general meetings of the Company under the Articles and the Companies Law of the Cayman Islands. Shareholders who wish to put forward proposals at general meetings may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Detailed procedures for Shareholders to propose a person for election as a Director of the Company are published on the Company's website.

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company as follows:

Address: 2nd Floor, No. 368 Jiang Nan Da Dao (South), Haizhu District, Guangzhou, PRC
Attention: Office of the Board

The Company will not normally deal with verbal or anonymous enquiries.

董事會並不知悉組織章程細則及開曼群島公司法有任何條文允許股東於本公司的股東大會上提呈議案。股東擬於股東大會上提呈議案，可參照前段所述遞呈請求書以要求召開本公司股東特別大會。

有關股東提名候選董事的程序詳情已刊載於本公司網站內。

關於向董事會作出任何查詢，股東可將書面查詢發送至本公司，地址如下：

地址：中國廣州市海珠區江南大道南368號二層
經辦人：董事會辦公室

本公司通常不會處理口頭或匿名的查詢。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會與管治報告

This is the second environmental, social and governance (“ESG”) report issued by the Group. The ESG report disclosed our sustainability policy and performance for the year ended December 31, 2018. The scope of the ESG report includes the environmental and social performance of the Group’s headquarters in Guangzhou during the period under review (unless otherwise stated). The relevant data for all other regional offices have not been collected and therefore is not disclosed in this ESG report.

The preparation of the ESG report complies with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules issued by the Stock Exchange and abides by the “Comply or Explain” provisions of such guide. The four reporting principles – importance, quantification, balance and consistency – are taken as the basis for the preparation of the ESG report.

About Digital Hollywood

Digital Hollywood was listed on the Stock Exchange in 2017. The Group are committed to becoming a leading global online game publisher while being successful in developing and launching dozens of high-quality mobile games.

We help China-based game developers penetrate into the international markets with one-stop solutions, including game redesign, optimization, marketing, distribution, monetization, payment support and other user-related services.

We offer a diverse selection of games consisting primarily of casual games and mid-and hardcore games in both web and mobile formats to a demographically diverse user community.

Vision

To become and be recognized as an interactive entertainment group providing world-class user experiences.

Objective

Connecting with happiness among players, business partners and employees.

此乃本集團發佈的第二份環境、社會及管治（「ESG」）報告。ESG報告披露了我們截至2018年12月31日止年度的可持續發展方針及表現。ESG報告的範圍為本集團廣州總部於回顧期間的環境及社會表現（除非另有說明）。本報告未搜集和披露所有區域辦事處的相關數據，故並未於本ESG報告中披露。

ESG報告的編製遵循聯交所發佈的上市規則附錄二十七《環境、社會及管治報告指引》及符合當中的「不遵守就解釋」條文，並且以重要性、量化、平衡及一致性的匯報原則作為編製基礎。

關於遊樂互動

遊樂互動二零一七年在聯交所上市。本集團致力於成為全球領先的網絡遊戲發行商，同時成功開發並推出數十款優質的手機遊戲。

我們以一站式解決方案（包括遊戲重新設計、優化、營銷、發行、變現、付款支持及其他與用戶有關的服務）幫助中國的遊戲開發商滲透國際市場。

我們為多樣化的用戶群體提供多元化的遊戲以供選擇，主要包括網頁及手機休閒遊戲以及中重度遊戲。

公司遠景

成為並被公認為提供世界頂級用戶體驗的互動娛樂集團。

公司宗旨

悅聚、非凡(Connecting with Happiness) – 玩家悅聚、合作夥伴悅聚、員工悅聚。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Corporate culture – core values

We firmly believe that pooling people who agree with and adhere to the common pursuit of long-term goals in creating cohesion is the most valuable and worth-inheriting asset for us. In other words, the F.A.M.I.L.Y (Focus/Agile/Mind/In-touch/Learn/You) culture.



公司文化 – 核心價值觀

我們堅信，認同並堅持共同追求公司遠景目標的人們聚集在一起，創造人與人之間凝聚的力量，是公司最為寶貴的，並值得不斷傳承的財富。即 F.A.M.I.L.Y (Focus/Agile/Mind/In-touch/Learn/You) 文化。

SUSTAINABLE DEVELOPMENT POLICY

We are a leading global online game publisher for China-based game developers, with fast-growing in-house development capabilities for mobile games. In recent years, we have strategically expanded our business focuses to develop and launch mobile games by enhancing in-house development capabilities. This has also reflected our commitment to sustainable development. We are committed to ensuring business continuity, while sparing no effort in integrating ESG principles into our business administrative practices, which has produced a positive impact on the environment and the entire community.

The Board assumes overall responsibility for our ESG governance and reporting, and is also responsible for assessing and determining our management policies, strategies, related importance and objectives and explaining how they relate to the Company's business. As a responsible corporate citizen, the Group has formulated different policies on ESG and other issues to advance and manage matters relating to social responsibility, such as product responsibility, labor practices, environmental protection, health and safety, and supply chain management, so as to guide the Group's business partners in putting sustainable development into practice. The relevant policies and measures and our sustainable development performance in all respects can be found in the corresponding sections of this ESG report.

可持續發展方針

我們是一家為中國的遊戲開發商提供服務的全球領先網絡遊戲發行商，擁有快速增長的手機遊戲自主研發能力。近年，我們透過增強自主研發能力有策略地擴大業務重點至開發及發佈手機遊戲。我們對可持續發展的承諾亦可從中體現。我們致力確保業務連續性，同時竭盡全力將環境、社會及管治原則融入我們的業務管理方式，為環境以至整個社區帶來正面影響。

董事會對我們的ESG管治和匯報承擔整體責任，亦負責評估及釐定我們的管理方針、策略、相關重要性及目標，並解釋它們如何與公司業務有關連。作為負責任的企業公民，本集團就環境、社會及管治等範疇制定了不同的政策，以推進及管理有關社會責任方面的事宜，如產品責任、勞工慣例、環境保護、健康及安全以及供應鏈管理等方面，以指引本集團的業務合作夥伴將可持續發展付諸實踐。有關政策及措施及我們於各方面的可持續發展表現可參見本ESG報告的相應章節。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

STAKEHOLDER COMMUNICATION

Our stakeholders mainly include employees, customers, suppliers, business partners, Shareholders, the government and, in a broad sense, the community. We are firmly convinced that our sustainable development benefits from the unremitting support and trust of stakeholders. We listen to the voices of stakeholders and respond to their needs through a range of communication channels such as meetings, interviews, hotlines, official websites, WeChat public accounts, emails, as well as communicate with our stakeholders via the publication of annual and interim results announcements, so as to maintain a close and harmonious relationship with them and accordingly achieve long-term success.

COMMITMENT TO CUSTOMERS

As a technology company, we strive to create value for customers by providing quality products and superior services. We offer services and products primarily relating to web and mobile games. In recent years, we have strategically expanded our business focuses to develop and launch mobile games by enhancing in-house development capabilities to capture the market opportunity from the fast-growing smartphone users, and our mobile games have immediately achieved considerable success in a number of regional markets. Since the beginning, we have established an integrated business model and the resulting synergies have further enhanced the overall performance of the Company. Our rich experience in web game publishing has enabled us to effectively identify key success drivers for mobile games and create game content that appeals to users.

We help China-based game developers penetrate into the international markets with one-stop solutions, including game redesign, optimization, marketing, distribution, monetization, payment support and other user-related services. With our deep understanding of the international markets, rich distribution experiences and proprietary technologies, we continuously provide solutions to game developing partners for them to reach and monetize their global user base, thereby bringing an extremely attractive value to them. When a game is launched, we will update and repair the system on a regular basis. We are committed to maintaining relationship with players by creating a highly-interactive and information-based online gaming community and organizing a series of activities in and out of the game. In addition, we will collect player comments and suggestions through various means such as questionnaires, forums and customer services to improve the game and enhance the player experience. The Group strictly abides by national laws and regulations

與利益相關方溝通

我們的利益相關方主要包括僱員、客戶、供應商及業務合作夥伴、股東、政府及更廣泛的社區。我們堅信，我們的可持續發展得益於利益相關方的不懈支持及信賴。我們設有廣泛的溝通渠道，如會議、面談、熱線、官方網站、微信公眾號及電子郵件，傾聽利益相關方的聲音，並對其需求作出回應，藉此與他們維持密切、和諧的關係，並通過發佈年度以及半年度業績公告與我們的利益相關方進行溝通，從而實現長久成功。

對客戶的承諾

作為一間科技型企業，我們通過竭力提供優質產品及優越服務為客戶創造價值。我們的服務及產品主要包括網頁遊戲及手機遊戲。近年，我們透過增強自主研發能力有策略地擴大業務重點至開發及發佈手機遊戲，以抓住智能手機用戶快速增長帶來的市場機遇，而我們的手機遊戲亦隨即在多個地區市場取得了不俗的成績。自始，我們已建立一個綜合業務模式，其產生的協同效益進一步提升了本公司的整體表現。我們從發行網頁遊戲所獲得的豐富經驗令我們能夠有效地為手機遊戲識別關鍵的成功推動因素，並製作對於用戶具有吸引力的遊戲內容。

我們以一站式解決方案（包括遊戲重新設計、優化、營銷、發行、變現、付款支持及其他與用戶有關的服務）幫助中國的遊戲開發商滲透國際市場。憑藉對國際市場的深入瞭解、豐富的發行經驗及專有的技術訣竅，我們源源不斷的提供讓遊戲開發商夥伴能夠接觸全球用戶群及將用戶變現的解決方案，從而為彼等帶來極具吸引力的價值。遊戲發佈後，我們會定期進行系統更新及修復。我們致力於通過打造高度互動及信息化的網絡遊戲社區及組織一系列遊戲內外的活動來維持我們與玩家的關係。此外，我們亦會通過各種方式，如問卷調查、論壇及客戶服務等收集玩家意見及建議以完善遊戲，提升玩家體驗。本集團嚴格遵守在開發產品與提供服務方面與業務相關且對本集團有重大影響的國家法

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

that are relevant to the business in developing products and providing services and have significant impact on the Group, as well as other laws and regulations relating to the health and safety of products and services provided, advertising, labeling and privacy matters and remedies, including but not limited to the Regulations on Internet Publishing, the Measures on Internet Information Services and the Measures for the Administration of Online Games.

During the period under review, the Group was not aware of any matter that had been in violation of laws and regulations in relation to the provision and use of the Group's products and services, including but not limited to matters concerning the health and safety of products and services, information and labels, marketing communications (including advertisement and promotion materials), property rights (including intellectual property rights), and privacy issues that have a significant impact on the Group.

INTELLECTUAL PROPERTY

We are committed to protecting the achievements of our research and development team. To this end, we have established the Intellectual Property Management System under which standard work programs are formulated in respect of applying for and managing intellectual property rights and strengthening the protection of intellectual property and this can effectively protect the intangible assets of the Group. The Group's intellectual property included copyrights, trademarks, patents, trade secrets and other rights conferred by (i) the Patent Law of the People's Republic of China, (ii) the Trademark Law of the People's Republic of China, (iii) the Copyright Law of the People's Republic of China, (iv) the Measures for the Administration of Internet Domain Names in China, (v) the Measures for the Administration of Software Products, (vi) the Law of the People's Republic of China Against Unfair Competition and other applicable laws and regulations as well as other rights relating to the protection of games, software, designs, new technologies, techniques, etc.

We attach great importance to confidentiality in protecting intellectual property. All interested parties are prohibited to divulge or provide relevant information to others in the process of product development and creation. In accordance with the "Measures for the Administration of Content Self-review by Internet Cultural Business Entities", our self-inspection system will ensure that all products comply with our intellectual property measures and relevant regulations.

律規章，與其他有關所提供的產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的法律法規的規定，包括但不限於《互聯網出版規定》、《互聯網信息服務辦法》、《網絡遊戲管理辦法》。

於回顧期間，本集團未曾接獲任何違反有關提供及使用集團產品和服務方面的法律及法規（包括但不限於產品和服務健康與安全、訊息及標籤、市場推廣通訊（包括廣告及推銷）、產權（包括知識產權）及私隱事宜並對本集團有重大影響的事件。

知識產權

我們致力保護研發團隊的成果。為此，我們確立了《知識產權管理制度》，通過制定標準工作程序申請及管理知識產權並加強知識產權保護，此舉可有力保障本集團的無形財產。本集團的知識產權包括版權、商標、專利、商業秘密及(i)《中華人民共和國專利法》；(ii)《中華人民共和國商標法》；(iii)《中華人民共和國著作權法》；(iv)《中國互聯網絡功能變數名稱管理辦法》；(v)《軟件產品管理辦法》；(vi)《中華人民共和國反不當競爭法》及其他適用法律規章所賦予的其他權利，保障遊戲、軟件、設計、新技術、技能及其他相關權利。

我們高度重視保密以保護知識產權。所有相關方一概不得在產品開發及創造過程中將相關資料透露或提供予他人。根據《網絡文化經營單位內容自審管理辦法》，我們的自檢系統將確保所有產品符合我們的知識產權措施及相關規例。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

HEALTHY NETWORK

As a company with a focus on the internet business, we have the responsibility to uphold and strengthen a healthy network culture.

For our game development business, we strictly abide by the Measures for the Administration of Online Games and other applicable laws and regulations. In view of this, we have built a professional content review team. There are professionally qualified content reviewers on the team responsible for close scrutiny to ensure that the game elements, including names, backgrounds, sound effects, maps, scenes, character designs, building designs, prop designs and features, do not contain any legally prohibited or improper wordings and materials, neither should any pornography, gambling, violence and abetment be promoted.

DATA SECURITY

Given the nature of our business, we need to collect and process a large amount of player data. Therefore, we are exposed to the risks of cyber attacks and the loss and leakage of data. To minimize these risks, we have adopted a series of data security measures, such as access authorization, password and data transmission encryption, so that data are stored at least in two different locations on our internal server and further backup is implemented in our disaster recovery system.

PRIVACY PROTECTION

Ensuring data privacy is crucial to protect our business and maintain our relationship with customers and business partners. Employees must sign a non-disclosure agreement to confirm their responsibility for keeping the data, including sales data, business plans, customer's personal data and intellectual property, in strict confidence. We have set access authorization with respect to the customer's personal data, restricting employees from accessing sensitive data only unless otherwise as required.

ADVERTISING LABELS

We ensure the compliance, accuracy and authenticity of all published materials, including press releases, labels, articles, and web contents, in accordance with the Advertising Law of the PRC and through the review of the legal department.

健康網絡

作為一間專注於互聯網業務的企業，我們有責任堅持及強化健康的網絡文化。

針對遊戲開發業務，我們嚴格遵守《網絡遊戲管理辦法》及其他適用法律規章。有鑒於此，我們已建立一支專業的內容審查團隊。團隊中具有專業資格的內容審查員負責密切審查，以確保遊戲元素（包括名稱、背景、音效、地圖、場景、角色設計、建築物設計、道具設計及功能）不含任何法律禁止的或有失妥當的文字及材料，亦不提倡色情、賭博、暴力或教唆犯罪。

數據安全

鑒於我們的業務性質需要收集及處理玩家的大量數據。因此，我們存在受到網絡攻擊及數據丟失及洩露的風險。為最大程度降低該等風險，我們採取一系列的數據安全措施，例如訪問權限控制、對密碼及數據傳輸進行加密，數據至少保存在我們內部服務器上兩個不同位置等措施，並在我們的災難恢復系統中作進一步備份。

私隱保護

確保資料私隱對保護我們的業務及維持我們與客戶及業務合作夥伴的關係尤為必要。僱員須簽訂保密協議，以確認彼等對資料（包括銷售數據、業務計劃、客戶個人資料及知識產權）予以保密之責任。我們已就客戶個人資料設定訪問權限控制，限制僱員訪問敏感資料，具體按需而定。

廣告標籤

我們根據《中華人民共和國廣告法》的規定，並且經由法務部門的審核以確保所有發佈材料（如新聞稿、標籤、文章及網頁內容）的合規性、準確性及真實性。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

COMMITMENT TO EMPLOYEES

Equal opportunity

The Group always upholds the principles of fairness, openness and justice, and applies these principles in the recruitment, assessment, promotion, development and welfare of its staff. The Group will not allow any employment discrimination arising out of race, color, nationality, language, age, gender, disability, religious belief, marital status, pregnancy, etc., and related systems are formulated in internal documents such as the code of conduct.

Staff development

The Group adheres to the cultural core values of F.A.M.I.L.Y., and has employees kept informed of the latest industry information and new job skills for them to realize their full potential through a variety of training formats and courses.

Currently, the training types received by employees include, but not limited to, conventional classroom training, on-the-job coaching and experience sharing sessions, such as induction training, novice guidance, mini presentations, etc.

對員工的承諾

平等機會

集團一直秉持公平、公開、公正的原則，在招聘、考核、晉升、員工發展、福利遵循此原則實行。集團不因任何種族、膚色、國籍、語言、年齡、性別、殘疾、信仰、婚姻狀況、懷孕等情況而產生就業歧視。並將相關制度列入行為守則等內部文件。

員工發展

本集團秉持F.A.M.I.L.Y的文化核心價值觀，透過多元化的培訓形式及課程，讓僱員瞭解最新的行業信息、新工作技能、讓僱員充分發揮自身潛能。

目前僱員接受的培訓形式包括但不僅限於傳統的課堂培訓、在崗指導、經驗分享會，如入職培訓、新手村指導、微講堂等。



微講堂 – 遊戲那些事分享
Mini presentation – game sharing



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Through continuous optimization and improvement of the performance management system, the Group conducts regular and timely performance evaluation of employees and maintains an annual comprehensive performance evaluation. The main business units conduct monthly performance appraisal. After each appraisal, employees are required to review their performance in their daily work and set out new achievement targets with their supervisors. Through the two-way communication mechanism, we can receive employee's feedback and suggestions in a timely manner to facilitate the growth of both parties.

The promotion of employees is determined based on the results of their performance evaluation and potentials. The Group has also put in place promotion mechanisms for employees. Employees may apply for competitive promotion provided that they meet the relevant years of service and performance requirements and that they have no records of misconduct and are in line with the Group's corporate culture and values. This will accordingly stimulate the initiative of excellent employees, conducive to selecting and cultivating talents and maintaining the sustainability of talents.

Caring for talents

The Group has always regarded employees as the key to sustainable business development. Accordingly, the Group provides competitive remuneration packages and benefits to employees and organizes diversified staff activities. The Group's Guangzhou headquarter was relocated to a premise with larger office space in 2018, providing a better working environment for employees so as to attract and retain talents.

The Group strictly abides by labor laws and regulations of the PRC and other laws and regulations regarding compensation and dismissal, recruitment and promotion, hours of work, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Regulations on the Administration of Housing Provident Funds and Employee Paid Annual Leave Regulations, to provide domestic employees with social insurance covering pension insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance, critical illness insurance and supplementary medical insurance as well as housing provident funds. In addition to public and statutory holidays, employees are entitled to paid leaves, such as marriage leave, pregnancy check-up leave, maternity leave, paternity leave, annual leave, bereavement leave, sick leave and bonus leave, and other benefits including meal allowances, attendance awards, festive gifts, welfare drinks and birthday gifts.

本集團通過不斷優化完善績效管理制度，定期對僱員進行全面及時性的績效考核，維持每年一次的全面性績效評估。主要業務部門開展月度績效考核，僱員在每次考核評估之後，需與其上級主管一起回顧日常工作表現及制定新的績效目標。通過雙向溝通機制，及時聆聽僱員的回饋及建議，助力雙方成長。

在僱員晉升機制上面，本集團根據其績效評估結果及潛能決定。本集團同時還為員工提供晉升機制，前提是僱員符合有關服務年期及績效要求，同時沒有任何不當行為記錄且符合集團企業文化和價值觀下，僱員可以提出申請競爭晉升的機會，從而激發優秀員工的主動性，選撥培養優秀人才，維持人才的可持續發展。

關懷人才

本集團一直視僱員為持續業務發展的關鍵，因此為僱員提供具競爭力的薪酬待遇及福利，為員工提供多元化的員工活動，二零一八年度本集團廣州總部搬遷至面積更大的辦公場所，為員工提供更好的工作環境，藉此吸引及挽留人才。

本集團嚴格遵守國家之勞動法規，有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的法律法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》、《住房公積金管理條例》、《企業職工帶薪年休假》，為國內僱員提供涵蓋養老保險、失業保險、醫療保險、生育保險、及工傷保險、大病醫療保險、補充醫療保險的社會保險，以及住房公積金。除了公眾假期及法定節日假期外，僱員還享有薪假期如婚假、孕期檢查假、產假、陪產假、年休假、喪假、有薪病假、司齡假等福利。其他福利包括：膳食津貼、出勤獎勵、節日禮物、公益飲品、生日賀禮等。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Work-life balance

We attach great importance to the healthy development of employees' physical and mental health. We enrich employee's spare time life by organizing various recreational activities, such as badminton, table tennis and basketball games, monthly birthday parties, festival events, Children's Family Day on the 1st of June, Thanksgiving Day, Woman's Day on the 8th of March, Halloween and annual dinner. These recreational activities have greatly enriched the spiritual and cultural life of employees and enhanced their cohesiveness and teamwork.

工作與生活平衡

我們非常重視僱員身心健康發展，透過組織不同的文娛休閒活動，豐富僱員業餘生活，例如羽毛球、乒乓球、籃球等康樂活動，月度生日會、節日活動、六一兒童家庭日、感恩節、三八婦女節、萬聖節、年會等活動，透過這些文娛活動極大地豐富了員工的精神文化生活，增強了員工的凝聚力和團隊協作能力。



籃球隊友誼賽
Basketball friendly matches



遊戲100開服慶祝會
Celebration for game service launched for 100 days



中秋月餅製作活動
Moon cake workshop, Mid-Autumn Festival



六一親子活動
Children's Family Day on the 1st of June



司慶活動
Company Anniversary Party



感恩節－高管服務日
Thanksgiving Day – Executive Service Day

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)



生日會
Birthday party



二零一八年年度晚宴
2018 Annual Dinner

Attention to two-way communication

We strive to establish sound and humanized communication channels, formal and informal, for our employees. Currently, the various communication channels established include conferences, work reports, WeChat, Enterprise WeChat, instant messaging software (QQ), emails and performance appraisal interviews. Employees may express their ideas and views through these communication channels.

Occupational health and safety

The Group is committed to providing employees with a safe, healthy and comfortable working environment. The Group conducts unified guidance and supervision of the safe operation of the Group companies in accordance with China's laws and regulations on occupational health and safety and industry standards. In 2018, the Group moved to a new office premise and only employees with badges granted by the Company can enter the office area. Non-company personnel are required to register identity information at the front desk and enter with a temporary visitor card. To solve the pollution problem arising from the newly decorated office and to ease employees' concerns on the potential negative impacts on their health from the decoration, the Group is equipped with high-efficiency air purifiers and protective masks in the office area. We also plant and place large quantities of green plants throughout the office area, taking care of the health and safety of employees with practical actions. A complete set of fire-fighting facilities that meet fire protection standards are placed at a prominent position in the office. Clear guidelines for emergency exit routes are available in the office and fire inspections are conducted to prevent from potential fire hazards.

Strictly abiding by laws and regulations concerning the provision of a safe working environment and the protection of employees from occupational hazards, such as the Law of the PRC on the Prevention and Control of Occupational Diseases, the Group provides annual physical examination for employees and routinely publicizes the knowledge of occupational diseases through different channels, to protect the health and related rights and interests of employees.

As of December 31, 2018, no incidence of any work-related injury or fatality was identified by the Group.

重視雙向溝通

我們不懈努力為員工建立完善的正式及非正式的，且具有人性化的溝通渠道。目前設立的多種溝通渠道包括：會議、工作報告、微信、企業微信、即時溝通軟體(QQ)、電子郵件、績效面談等溝通渠道。員工可通過這些溝通渠道發表意見及看法。

職業健康與安全

本集團致力為僱員提供一個安全、健康、和舒適的工作環境。本集團依照中國關於職業健康與安全的法律法規及行業標準，對集團公司的安全經營進行統一指導和監督。於二零一八年，本集團搬遷至新的辦公位址，為此獲本公司配發胸卡的員工才可進入辦公區域，非公司人員需在前台登記身份證明信息，憑訪臨時訪客卡方可進入。為解決新辦公環境新裝修的污染問題，和釋除僱員對裝修可能會影響健康的憂慮，本集團統一在辦公區域配備高效能的空氣淨化器、派發防護口罩等設備，在辦公區域各處種植及擺放大量綠色植物，用實際行動關愛員工的健康與安全。在辦公場所顯眼位置配備齊全且符合消防標準的消防設施，在辦公室設置明顯安全出口指引，並定期進行消防檢查排除消防隱患。

本集團嚴格遵守有關提供安全工作環境及保障僱員避免職業性危害的法律法規，如《中華人民共和國職業病防治法》，為僱員提供年度身體檢查，日常透過不同的途徑宣傳職業病防治知識，保護僱員的健康及相關權益。

截至二零一八年十二月三十一日，本集團未發生過任何工傷或因工死亡事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Labor standards

Strictly abiding by laws and regulations concerning the prevention of child labor or forced labor, such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors and other laws and regulations, the Group prohibits the employment of child labor and forced labor. Upon the joining of an employee, the Group strictly implements the relevant processes of employment, so that the employee's data file, including identity and age, will be reviewed thoroughly to prevent the occurrence of child labor. During the review, any child or forged identity data found will be handled in accordance with the law. The Group strictly abides by relevant laws and regulations of the jurisdiction in the place of operation, signing labor contracts with employees according to law and pays social insurance and protects the personal privacy of employees in strict accordance with provisions.

In addition, our staff handbook and labor contracts have set out details concerning the arrangements about working hours, overtime, leave and dismissal. The Group's implementations are carried out in a unified manner according to standard working hours to ensure that the working hours of employees are reasonable. Employees are not forced to work and, if overtime is required, they need to obtain approval in advance and receive paid leave afterwards. In the case of forced labor, employees have the right to appeal to the Group's Personnel Administration Center.

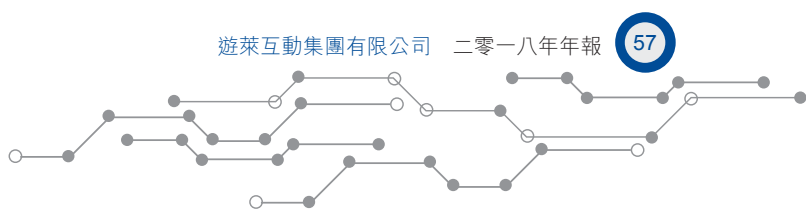
As at December 31, 2018, the Group had not identified any employment of child labor and forced labor and no labor dispute had happened.

勞動準則

本集團嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國未成年人保護法》等有關防止童工或強制勞工的法律法規，禁止僱傭童工及強制勞動。在員工入職時嚴格執行入職相關流程，詳細審查其入職資料，包括身份和年齡，以防止發生僱傭童工的情況。審查期間，倘若發現童工身份及偽造身份資料，將依據法律處理。本集團嚴格遵守運營地相關法律法規，依法與僱員簽訂勞動合同，嚴格按照規定繳納社會保險，保護員工個人隱私。

此外，我們僱員手冊及勞動合同詳細載列了有關工作時間、加班、休假及解僱方面的安排。本集團內部統一按標準工作時間執行，保障僱員合理的工作時間。不強制僱員勞動，如需加班，僱員需得到事先批准，之後將獲得帶薪休假。在出現強制勞動情況下，員工有權利向本集團人事行政中心進行申訴。

截至二零一八年十二月三十一日，本集團未發現有聘用童工及強制勞工的情況，未有出現勞動糾紛之情況。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

COMMITMENT TO THE COMMUNITY

The Group always attaches great importance to the establishment and maintenance of harmonious relations with the community and society. The Group's priorities include, but are not limited to, recruiting and cultivating outstanding university graduates in the place of operation to take up positions dedicated to game development and operations. In 2018, the Group eagerly visited higher education schools in Guangzhou, Hunan, Shaoguan and other regions to conduct campus presentations and recruitment activities and received enthusiastic responses. Promoting the employment of university students through such activities is an effective measure for both economic development and social harmony.

對社區的承諾

本集團一直非常重視與社區、社會之間的和諧關係建立及維護。本集團優先但不限於在辦公駐地招聘並培養優秀的大學畢業生致力於遊戲研發、運營等崗位。二零一八年度本集團積極到廣州、湖南、韶關等區域高等教育學校進行校園宣講及招聘活動，迴響熱烈。通過此類活動促進大學生就業，對於經濟發展還是社會和諧都是有效的舉措。



校園宣講會及招聘現場

Campus presentation and recruitment



宣講會現場，同學積極回答問題

Students answered questions actively at the presentation



校園招聘會

A career fair in the campus

In respect of the requests by relevant administrative departments in accordance with laws and regulations for the supervision and inspection on the Company, the Group actively cooperates with them to ensure the fulfillment of its own social responsibilities and obligations.

對於相關機關部門根據法律，法規要求提出的對公司的監督和檢查，本集團都予以積極配合，確保履行自身社會責任與義務。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

ANTI-CORRUPTION

The Group's commitment to combating against unethical business practices, including bribery, fraud and corruption, can be reflected in our Anti-fraud Management System. Employees should report to us by phone or email if there is any suspected misconduct. The relevant departments of the Group will seriously investigate the report based on our internal protocols and make rectification in a professional and timely manner. Divulgement of any relevant information is strictly prohibited and offenders will be handled in a solemn manner. A code of ethics and conduct will also be included in the staff handbook. We will do our utmost to ensure that employees pay attention to the code and make it part of our daily activities, so as to create a corporate culture that upholds righteousness and integrity. The Group strictly abides by the Law of the People's Republic of China against Money Laundering. We have not experienced with any confirmed matters or open legal proceedings involving the Group or its employees over extortion, bribery, fraud, extortion and money laundering during the year ended December 31, 2018.

COMMITMENT TO THE SUPPLY CHAIN

As a responsible company, we attach great importance to environmental and social factors and are committed to sustainable operations. Similarly, we also expect our suppliers to be self-disciplined, thereby making a positive influence on the supply chain. We have signed a code of conduct with suppliers that requires them to meet the legal requirements concerning occupational health and safety, anti-discrimination, environmental protection, anti-corruption and anti-fraud.

We conduct preliminary assessment of quality and pricing for introducing new suppliers. In purchasing important materials, such as servers, computers and printers, qualified new suppliers will be recorded on a supplier list. Under normal circumstances, the list should have at least three different suppliers in each category so as to disperse the risk arising from any of the suppliers due to disqualification or our termination of cooperation. For the existing suppliers, we conduct an annual assessment to maintain the most desirable list of suppliers. We will review the prices, product quality, payment terms, delivery and after-sales services of product suppliers as well as the service quality, staff qualification and sense of cooperation of service providers.

反貪腐

本集團對打擊不道德商業行為(包括賄賂、欺詐及腐敗)的承諾可體現在我們的《反舞弊管理制度》當中。如有任何可疑不當行為,僱員應通過電話或郵件向我們舉報。本集團有關部門將根據我們的內部規章認真調查有關舉報,並以專業及時的方式糾正。嚴禁洩露一切相關信息,違規者則會嚴肅處理。除此以外,道德行為規範亦會載入僱員手冊中。我們將竭盡全力確保僱員關注該規範,並使之成為我們日常活動的一部分,從而打造一個以正直與誠信為先的企業文化。本集團嚴格遵守《中華人民共和國反洗錢法》,截至二零一八年十二月三十一日止年度內,我們沒有出現任何有關本集團或僱員的有關勒索、賄賂、欺詐、敲詐及洗黑錢的已確認事件或公開法律訴訟。

對供應鏈的承諾

作為一間負責任的企業,我們高度重視環境及社會因素,致力於可持續營運。同樣,我們亦期望我們的供應商能夠自律,從而為供應鏈帶來正面影響。我們與供應商簽署行為守則,即要求供應商須達到有關職業健康及安全、反歧視、環境保護及反貪腐及反詐騙方面的法律規定。

我們就引入新供應商對供應商的品質及價格展開初步評估。就採購重要材料(如伺服器、計算機及列印機)而言,評估合格的新供應商將被記錄於供應商入冊名單。一般情況下,該名單應當至少包括各類別中的至少三個不同的供應商,以分散其中某一個供應商因不合格或我們終止合作所帶來的風險。就現有供應商而言,我們進行一年一度的評估,以維持最為理想的供應商名單。我們將評核產品供應商的價格、產品品質、支付條款、交付及售後服務,以及服務提供商的服務品質、員工素質及合作性。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

COMMITMENT TO THE ENVIRONMENT

Emissions reduction

The Group strictly abides by the relevant laws and regulations, such as the Law of the People's Republic of China on Environmental Protection and the Law of the People's Republic of China on Energy Conservation, and vigorously advocates green office. Neither any significant exhaust emissions and significant direct greenhouse gas emissions nor any water and land pollution and hazardous and non-hazardous waste generation and the like have been identified in the daily business of the Group, and our business will not have any significant impact on the environment and natural resources. The Group's products are online games and do not need to consume packaging materials. The main consumption of resources is concentrated in the electricity and water consumed in the Group's operating premises and diesel oil used by the Company's vehicles. The Group spares no effort in environmental protection. The Group adopts the low-carbon office concept in reducing emissions, uses various measures including encouraging employees to use public transport instead of private cars to reduce emissions, and smoking is strictly prohibited in all parts of the office premises.

The Group remains committed to paper and material recycling. For instance, staff can collect office supplies for recycling and reuse purposes. For waste materials that are not recyclable but still useful, such as obsolete mainframes and keyboards, they are sorted according to the Company's operational needs and reusable parts are reserved for recycling and reuse purposes. As such, the actual life cycle of electronic devices can be extended and the aim of reducing the environmental hazard arising from electronic product manufacturing can be achieved.

對環境的承諾

減少排放

本集團嚴格遵守《中華人民共和國環境保護法》和《中華人民共和國節約能源法》等國家相關法律法規，大力倡導綠色辦公。本集團的日常業務不存在重大的廢氣及重大直接溫室氣體排放，向水及土地污染、有害及無害廢棄物的產生等情況，對環境及天然資源亦不會造成任何重大影響。本集團產品均為線上遊戲產品，不需要消耗包裝物料。資源主要的消耗集中在本集團運營場所消耗的電力、用水、公司車輛用油。本集團在環境保護方面，我們不遺餘力，本集團採用低碳辦公室概念，運用多種措施減少我們的排放，包括：鼓勵僱員乘坐公共交通工具以替代私家車，減少廢氣排放；辦公區域全面禁止吸菸。

本集團堅持紙張及物資的循環利用，如員工可二次利用的辦公用品供循環利用，對於不可回收處理但仍有使用價值的廢舊物品（如廢舊主機、鍵盤等），結合公司運營需求進行分揀，將其中可重複使用部份進行回收利用。從而達到延長電子設備實際使用週期，降低電子產品製造對環境危害的目的。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Resource efficiency

The Group advocates the concept of environmental protection, energy conservation and low carbon office. To save natural resources, we have taken the following actions:

- Emails, instant communication tools and WeChat at Work are used and employees are not encouraged to print paper. Only necessary documents are printed and double-sided printing and paper recycling are being promoted. The Group encourages paperless processes in work attendance approval, application for using conference rooms and internal announcements, etc.
- For used materials in offline activities, recyclable materials are used and used materials are recycled as far as possible to comply with the principle of recycling.
- Priority is given to energy-saving lighting and other energy-saving appliances in purchasing to reduce electricity consumption.
- Air conditioners are turned off during non-working hours or when the office occupancy rate is low. In non-summer seasons like winter, the use of air conditioners is suspended to reduce exhaust gas and electricity consumption. New office premises are equipped with transparent glass to increase the transparency and lighting, thus reducing the need for office lights and reducing energy consumption.
- Signs reminding employees to save water are posted in toilets to enhance employees' awareness of water conservation.

資源效率

本集團提倡環保節能、低碳辦公的理念，為節省自然資源，我們採取了下列舉措：

- 採用電子郵件、即時溝通工具、企業微信辦公、不鼓勵員工列印紙張。必要的文檔列印，本集團提倡雙面列印，以及紙張的回收再用。本集團鼓勵無紙化流程，如考勤審批、會議室使用申請、內部公告發佈等。
- 對於線下活動使用後的物料，遵循循環利用的原則，儘量採用可循環利用的物料及回收二次使用；
- 本集團採購時優先考慮節能電燈及其他節能型的電器，儘量降低用電量；
- 空調在非工作時間段或辦公室佔用率較低時不開放，在非炎日季節，例如冬季暫停空調使用，減少廢氣及用電消耗，新辦公場所安裝透明玻璃，增加透光度及照明，從而減少對辦公用燈的需求，減低耗能。
- 洗手間張貼提醒僱員節約用水的標誌，提高僱員節約用水意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

COMPREHENSIVE PERFORMANCE

綜合績效表現

Prevention of bribery and corruption

防止賄賂及防止貪污

Indicators	指標	2018 2018年	2017 ¹ 2017年 ¹
Cases involving bribery, extortion, fraud and money laundering (number of cases)	涉及關於賄賂、勒索、欺詐及洗黑錢的案件 (宗)	0	0

Product and service quality

產品及服務質量

Service performance:

服務表現：

Indicators	指標	2018 2018年	2017 2017年
Legal cases in which products and services are suspected of save and health issues (number of case)	產品及服務涉嫌安全與健康的訴訟案件 (宗)	0	0
Cases in which products and services are suspected of infringing intellectual property rights (number of case)	產品及服務涉嫌侵犯知識產權的案件數目 (宗)	0	0
Complaints due to divulgement of customer information (number of complaint)	因洩露客戶信息而遭到投訴件數 (例)	0	0

Emissions²

排放物²

Air pollutant emissions (office vehicles)³:

大氣污染物排放 (辦公用車)³：

Indicators	指標	2018 2018年	2017 2017年
Nitrogen oxide (NO _x) (kilogram)	氮氧化物 (千克)	1.28	N/A 不適用
Sulphur oxides (SO _x) (kilogram)	硫氧化物 (千克)	0.05	N/A 不適用

¹ The disclosure of data for the year of 2017 was mainly aimed to meet the reporting principles of consistency in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules, and the related disclosures in the 2018 ESG report shall prevail. If the related data has not been disclosed in the 2017 ESG report, it is expressed as N/A.

² The Group's business scope involves a small amount of paper and e-waste emissions. As the data collection system is still in the process of being established, the related data is not disclosed in the ESG report.

³ The calculation method and the calculation of correlation factor of the air pollutant emission were established with reference to the "2011-2012 Regional Power Grid Average Carbon Dioxide Emission Factors in China" issued by the National Development and Reform Commission of the People's Republic of China. The scope of calculation of air pollutant emissions in 2018 includes a private car owned and used by the Group.

¹ 2017年度數據的披露主要為滿足附錄二十七《環境、社會及管治報告指引》中的一致性的匯報原則，且相關披露數據以2018年度ESG報告為準。若2017年度未披露相關數據，則以不適用表示。

² 本集團的業務範圍涉及少量紙張及電子廢棄物排放，由於數據收集系統仍在努力建立中，於ESG報告未能作出披露。

³ 此大氣污染物排放的計算方法及相關系數計算乃參考中華人民共和國國家發展和改革委員會發佈的《2011年和2012年中國區域電網平均二氧化碳排放因數》所制訂。2018年空氣污染物排放的計算範圍為本集團自用的1輛私家車。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Greenhouse gas emissions:

溫室氣體排放：

Indicators	指標	2018 2018年	2017 2017年
Direct greenhouse gas emission ⁴ : Office vehicles (kilograms of carbon dioxide equivalent)	溫室氣體直接排放量 ⁴ ： 辦公用車 (千克二氧化碳當量)	8,314.93	N/A 不適用
Indirect greenhouse gas emission ⁵ : Outsourced electricity (kilograms of carbon dioxide equivalent)	溫室氣體間接排放量 ⁵ ： 外購電力 (千克二氧化碳當量)	125,136.02	107,614.84
Total greenhouse gas emissions (kilograms of carbon dioxide equivalent)	溫室氣體總排放量 (千克二氧化碳當量)	133,450.95	107,614.84
Average total greenhouse gas emissions by each employee ⁶ (kilograms of carbon dioxide equivalent per person)	每位僱員 ⁶ 平均溫室氣體排放總量 (千克二氧化碳當量／人)	733.25	752.55

Use of resources

資源使用

Energy consumption:

能源消耗：

Indicators	指標	2018 2018年	2017 2017年
Outsourced electricity (kilowatts-hour)	外購電力 (千瓦時)	237,404.71	204,164.00
Average electricity consumption by each employee (kilowatts-hour per person)	每位僱員平均電力消耗總量 (千瓦時／人)	1,304.42	1,427.72
Gasoline (liter)	汽油 (公升)	3,600.00	N/A 不適用
Average total gasoline consumption by each employee (liter per person)	每位僱員平均汽油消耗總量 (公升／人)	19.78	N/A 不適用

⁴ The calculation method and the calculation of correlation factor of emission were established pursuant to the Technical Guide for Air Pollutant Emission Inventory for Road Vehicles (Trial) issued by the Ministry of Environmental Protection of the PRC.

⁵ The scope of calculation of indirect greenhouse gas emissions includes the indirect greenhouse gas emissions of our business caused by the use of outsourced electricity. Its calculation method and the calculation of correlation factor of emission were established with reference to the "2011-2012 Regional Power Grid Average Carbon Dioxide Emission Factors in China" issued by the National Development and Reform Commission of the PRC.

⁶ This data related to the employee number was derived from the total number of employees of the Group as at December 31, 2018 and December 31, 2017, respectively.

⁴ 此溫室氣體直接排放量計算方法及相關的排放系數乃根據中華人民共和國生態環境部發佈的《道路機動車大氣污染物排放清單編制技術指南(試行)》所制訂。

⁵ 此溫室氣體間接排放量的計算範圍包括業務因外購電力使用所導致的間接溫室氣體排放，其計算方法及相關排放系數計算乃參考中華人民共和國國家發展和改革委員會發佈的《2011年和2012年中國區域電網平均二氧化碳排放因數》。

⁶ 此僱員人數數據分別使用截至2018年12月31日與截至2017年12月31日的本集團總僱員人數。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Paper consumption:

紙張消耗量：

Indicators	指標	2018 2018年	2017 2017年
Total paper consumption (kilogram)	使用紙張總量 (千克)	695.00	285.00
Average total paper consumption by each employee (kilogram per person)	每位僱員使用紙張總量 (千克／人)	3.82	1.99

Water consumption⁷:

水消耗量⁷：

Indicators	指標	2018 2018年	2017 2017年
Total water consumption (cubic meter)	用水總量 (立方米)	753.00	2,892.00
Proportion of outsourced tap water (%)	外購自來水佔比(%)	100	100
Total water consumption by each person (cubic meter per person)	每位僱員用水總量 (立方米／人)	4.50	20.22

Employment

僱傭

Employee composition:

僱員組成：

Indicators	指標	2018 2018年	2017 2017年
Number of employee (number) ⁸	僱員人數 (人) ⁸	182	143
By gender	按性別劃分		
Male employee (number)	男僱員 (人)	115	96
Female employee (number)	女僱員 (人)	67	47

⁷ Water consumed by the Group comes from the municipal pipe network and there is no problem with water sources.

⁸ This employee number data was the total number of employees of the Group as at December 31, 2018 and December 31, 2017, respectively.

⁷ 本集團的用水均來自市政管網且不存在任何求取水源方面的問題。

⁸ 此僱員人數數據分別為截至2018年12月31日與截至2017年12月31日的本集團總僱員人數。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

Occupational health and safety

Health and safety of employees:

職業健康及安全

員工健康安全：

Indicators	指標	2018 2018年	2017 2017年
Work-related death (number of case)	因工死亡事故 (宗)	0	0

Development and training

Employee training:

發展與培訓

員工培訓：

Indicators	指標	2018 2018年	2017 2017年
Total training hours	總培訓時數 (小時)	237.50	809.50
Per capita training hours (hours per person)	人均培訓時數 (小時／人)	1.30	5.66

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

INDEXES OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE ISSUED BY THE HONG KONG STOCK EXCHANGE

香港聯交所《環境、社會及管治報告指引》索引

General disclosures and KPIs	Description	Related sections in the ESG report
Environmental Aspect		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions reduction
KPI A1.1	The types of emissions and respective emissions data.	Comprehensive performance
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comprehensive performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data collection system in the process of being established
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data collection system in the process of being established
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Emissions reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions reduction
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource efficiency
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Comprehensive performance

一般披露及關鍵績效指標	描述	ESG報告內有關章節
環境範疇		
層面A1：排放物		
一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	減少排放
KPI A1.1	排放物種類及相關排放數據。	綜合績效表現
KPI A1.2	溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	綜合績效表現
KPI A1.3	所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	收集體系建立中
KPI A1.4	所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	收集體系建立中
KPI A1.5	描述減低排放量的措施及所得成果。	減少排放
KPI A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	減少排放
層面A2：資源使用		
一般披露	有效使用資源（包括能源、水及其他原材料）的政策。	資源效率
KPI A2.1	按類型劃分的直接及／或間接能源（如電、氣或油）總耗量（以千個千瓦時計算）及密度（如以每產量單位、每項設施計算）。	綜合績效表現

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

General disclosures and KPIs	Description	Related sections in the ESG report
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Comprehensive performance
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Resource efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Comprehensive performance
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not available
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Not available
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not available
Social Aspect		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Equal opportunity and caring for talents
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Comprehensive performance

一般披露及關鍵績效指標	描述	ESG報告內有關章節
KPI A2.2	總耗水量及密度(如以每產量單位、每項設施計算)。	綜合績效表現
KPI A2.3	描述能源使用效益計劃及所得成果。	資源效率
KPI A2.4	描述求取適用水源上可有任何問題, 以及提升用水效益計劃及所得成果。	綜合績效表現
KPI A2.5	製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量。	不適用
層面A3: 環境及天然資源		
一般披露	減低發行人對環境及天然資源造成重大影響的政策。	不適用
KPI A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	不適用
社會範疇		
層面B1: 僱傭		
一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的: (a) 政策; 及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	平等機會關懷人才
KPI B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	綜合績效表現

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

General disclosures and KPIs	Description	Related sections in the ESG report
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational health and safety
KPI B2.1	Number and rate of work-related fatalities.	Comprehensive performance
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational health and safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Staff development
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Labor standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labor standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Commitment to the supply chain

一般披露及關鍵績效指標	描述	ESG報告內有關章節
層面B2：健康與安全		
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	職業健康與安全
KPI B2.1	因工作關係而死亡的人數及比率。	綜合績效表現
KPI B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	職業健康與安全
層面B3：發展及培訓		
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	員工發展
層面B4：勞工準則		
一般披露	有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	勞動準則
KPI B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	勞動準則
KPI B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	勞動準則
層面B5：供應鏈管理		
一般披露	管理供應鏈的環境及社會風險政策。	對供應鏈的承諾

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會與管治報告 (續)

General disclosures and KPIs	Description	Related sections in the ESG report
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Commitment to customers Advertising labels Healthy network
KPI 6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Comprehensive performance
KPI 6.2	Number of products and service related complaints received and how they are dealt with	Comprehensive performance
KPI 6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property
KPI 6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data security
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Comprehensive performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Commitment to the community

一般披露及關鍵績效指標	描述	ESG報告內有關章節
層面B6：產品責任		
一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	對客戶的承諾 廣告標籤 健康網絡
KPI 6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	綜合績效表現
KPI 6.2	接獲關於產品及服務的投訴數目以及應對方法。	綜合績效表現
KPI 6.3	描述與維護及保障知識產權有關的慣例。	知識產權
KPI 6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	數據安全
層面B7：反貪污		
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	反貪腐
KPI B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	綜合績效表現
KPI B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	反貪腐
層面B8：社區投資		
一般披露	有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	對社區的承諾



DIRECTORS' REPORT

董事會報告

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2018.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on November 24, 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Group is a leading global online game publisher for China-based game developers, with fast-growing in-house development capabilities for mobile games.

The activities and particulars of the Company's subsidiaries are shown under Note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Note 5 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. In addition, a discussion on relationships with its key stakeholders is included in the section headed "Management Discussion and Analysis". The review and discussion form part of this directors' report.

董事會欣然提呈本公司截至二零一八年十二月三十一日止年度年報連同經審核合併財務報表。

主要業務

本公司於二零一四年十一月二十四日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本集團是一家為中國的遊戲開發商提供服務的全球領先網絡遊戲發行商，擁有快速增長的手機遊戲自主研發能力。

本公司附屬公司業務及詳情載於合併財務報表附註1。本集團按主要業務劃分之年度收入及經營溢利分析載於本年報「管理層討論及分析」一節及合併財務報表附註5。

業務回顧

本集團年度業務回顧（包括本集團面對的主要風險及不明朗因素的討論、使用財務關鍵績效指標進行的本集團表現分析、影響本集團的年內重要事件詳情及預期本集團業務未來的發展的說明）可參閱本年報「主席報告」、「管理層討論及分析」及「企業管治報告」等節。此外，有關與本集團主要持份者關係的討論載於本年報「管理層討論及分析」。該等回顧及討論內容為本董事報告的組成部分。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

RESULTS, DIVIDEND AND DIVIDEND POLICY

The consolidation results of the Group for the year ended December 31, 2018 are set out on pages 102 to 212 of this annual report.

The Board has resolved not to recommend payment of any final dividend for the year ended December 31, 2018.

The Company currently does not have any pre-determined dividend payout ratio. The amount of dividends actually distributed to the Shareholders will depend on the Company's earnings and financial condition, operating requirements, capital requirements and any other conditions that the Directors may deem relevant and will be subject to approval of the Shareholders. The Board has the absolute discretion to recommend any dividends.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from June 18, 2019 to June 21, 2019, both days inclusive and during which no share transfer will be effected, for the purpose of ascertaining the Company's shareholders' entitlement to attend and vote at the 2019 AGM. In order to be eligible to attend and vote at the 2019 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 pm on June 17, 2019.

業績、派息及股息政策

本集團截至二零一八年十二月三十一日止年度綜合業績載於本年報第102至212頁。

董事會決議不派發截至二零一八年十二月三十一日止年度的任何末期股息。

本公司目前並無任何預先釐定的派息率。實際分派予股東的股息金額將取決於本公司的盈利及財務狀況、營運需求、資本要求及董事可能認為相關的任何其他條件，並須取得股東批准。董事會有絕對酌情權建議任何股息。

暫停辦理股份過戶登記

為確定本公司股東可出席二零一九年股東週年大會及於會上投票的資格，本公司於二零一九年六月十八日至二零一九年六月二十一日（包括首尾兩日）將暫停辦理股份過戶登記手續。為符合資格出席二零一九年股東週年大會及於會上投票，股東須將所有股份過戶文件連同有關股票於二零一九年六月十七日下午四時三十分之前送達本公司之香港股份過戶登記處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓），以辦理登記手續。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 13 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property and equipment of the Group during the year ended December 31, 2018 are set out in Note 6 to the consolidated financial statements on page 164 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material non-compliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmental friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. For further details of the Group's environmental policies and performance, please refer to the section of "Environmental, Social and Governance Report" in this annual report.

財務摘要

本集團過去五個財政年度的已刊發業績及資產、負債及非控股權益摘要，載於本年報第13頁。

物業、廠房及設備

本集團截至二零一八年十二月三十一日止年度物業及設備變動詳情，載於本年報第164頁合併財務報表附註6。

環保政策及表現

本集團深明環境保護的重要性，而在其業務方面（包括健康及安全、工場條件、僱傭及環境）並無發現不符合相關法律法規的情況。本集團已實行環保措施，並已鼓勵員工在工作時注重環保，按實際需要而耗用電力和紙張，以節省能源消耗及盡量減少不必要浪費。有關本集團的環保政策及表現之進一步詳情，可參閱本年報「環境、社會及管治報告」一節。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended December 31, 2018 are set out in Note 16 to the consolidated financial statements on page 182 of this annual report.

RESERVES

Details of the movement in the reserves of the Group and of the Company during the year ended December 31, 2018 are set out in Note 17 to the consolidated financial statements on page 183 of this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2018, the Company's distributable reserves were US\$34.7 million.

BORROWINGS

As at December 31, 2018, the Company did not have any bank borrowings.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2018.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

股本

本公司截至二零一八年十二月三十一日止年度股本變動詳情載於本年報第182頁合併財務報表附註16。

儲備

本集團及本公司截至二零一八年十二月三十一日止年度儲備變動詳情載於本年報第183頁合併財務報表附註17。

可分派儲備

於二零一八年十二月三十一日，本公司可分派儲備為34.7百萬美元。

借款

於二零一八年十二月三十一日，本公司並無任何銀行借款。

購買、出售或贖回本公司上市證券

於截至二零一八年十二月三十一日止年度，本公司或其附屬公司概無購買、出售或贖回任何本公司上市證券。

優先認購權

組織章程或開曼群島法律概無載列優先認購權條文，使本公司須按比例向現有股東發售新股份。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

USE OF PROCEEDS FROM THE IPO

The net proceeds from the IPO amounted to US\$35.4 million after deducting share issuance costs and listing expenses. During the year ended December 31, 2018 the net proceeds from the listing were utilized in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, with the balance amounted to approximately US\$31.0 million. The balance of fund will continue to be utilized according to the manner as disclosed in the Prospectus. The Group held the unutilized net proceeds in short-term deposits with licensed institutions in Hong Kong. In 2019, the Company will use the proceeds raised from the IPO in accordance with its development strategies, market conditions and intended use of such proceeds. Details are set out in the following table:

首次公開發售所得款項淨額用途

首次公開發售所得款項淨額為35.4百萬美元(扣除股份發行成本及上市開支)。於截至二零一八年十二月三十一日止年度期間,上市所得款項淨額已根據招股章程「未來計劃及所得款項用途」一節所載擬定用途使用,款項結餘為31.0百萬美元。款項結餘將根據招股章程披露之用途使用。本集團將未動用所得款項淨額以短期存款形式存放於香港持牌機構。二零一九年,本公司將根據其發展策略、市場情況及首次公開發售所得款項的擬定用途,使用該等款項。詳情請見下表。

		Actual net amount utilized in the year ended December 31, 2018 截至二零一八年 十二月三十一日 止年度 實際使用淨額 USD'000 千美元	Unutilized amount as at December 31, 2018 截至二零一八年 十二月三十一日 尚未使用金額 USD'000 千美元
Investment	投資	14,166.1	13,745.1
Development and research	開發與研究	8,853.8	8,073.5
Expansion of online game business	網絡遊戲業務拓展	5,312.3	4,227.8
Marketing and advertisement	營銷及宣傳	3,541.5	1,916.2
Working capital and other general corporate purposes	營運資金及其他一般企業用途	3,541.5	3,040.2
Total	總計	35,415.2	31,002.8

DIRECTORS' REPORT (Continued)

董事會報告 (續)

DIRECTORS

During the year ended December 31, 2018 and to the date of this annual report, the Board consists of the following Directors:

Executive Directors

Mr. LU Yuanfeng (*Chairman*)
Mr. HUANG Guozhan
Mr. HUANG Deqiang

Non-executive Director

Mr. MENG Shuqi (*resigned with effect from December 27, 2018*)

Independent Non-executive Directors

Mr. Darren Raymond SHAW
Mr. LI Yi Wen
Ms. Imma LING Kit-sum

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 18 to 24 in the section headed "Profile of Directors and Senior Management" to this annual report.

董事

於截至2018年12月31日年度及至本年報日期，董事會由以下董事組成：

執行董事

陸源峰先生 (*主席*)
黃國湛先生
黃德強先生

非執行董事

孟書奇先生 (*已於二零一八年十二月二十七日辭任*)

獨立非執行董事

邵在純先生
李毅文先生
凌潔心女士

董事及高級管理層履歷詳情

本年報日期的本集團董事及高級管理層履歷細節載於本年報第18至24頁「董事及高級管理層履歷」一節。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for an initial term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either the executive Director or the Company.

Each of the independent non-executive Directors has signed an appointment letter with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either of the Director or the Company. Under the respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee.

The appointments of the Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed above, none of the Directors has entered into any service contract with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Other than disclosed in the section headed "Significant Related Party Transactions" in Note 29 to the consolidated financial statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended December 31, 2018 or subsisted at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended December 31, 2018 or subsisted at the end of the year.

董事服務合約

各執行董事均與本公司訂立服務合約，據此，彼等同意自上市日期當日起三年的初步任期內擔任執行董事，惟執行董事或本公司可發出不少於三個月通知期的書面通知終止該等合約。

各獨立非執行董事已與本公司簽署委任書，初步任期為彼等各自上市日期當日起三年，董事或本公司可發出不少於三個月通知期的書面通知終止該等合約。各獨立非執行董事根據各自委任書，可獲發定額董事袍金。

董事委任須遵守組織章程細則下董事退任及輪值的規定。

除上文披露者外，概無董事與本公司或其任何附屬公司訂立任何服務合約（不包括於一年內屆滿或本公司可於一年內免付賠償（法定賠償除外）予以終止的服務合約）。

控股股東合約

除本年報合併財務報表附註29「重大關聯方交易」一節披露者外，於截至二零一八年十二月三十一日止年度或年底，本公司或其任何附屬公司概無與任何控股股東或其任何附屬公司訂立重大合約，本公司亦沒有訂立有關由控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重大合約。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

DIRECTOR'S INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Other than disclosed in the section headed "Significant Related Party Transactions" in Note 29 to the consolidated financial statements contained in this annual report, no transaction, arrangement and contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended December 31, 2018.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the five highest paid individual in the Group are set out in Notes 33 and 23 to the consolidated financial statements on pages 208 to 212 and pages 190 to 192 of this annual report.

For the year ended December 31, 2018, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended December 31, 2018.

Except as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2018, by our Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year under review, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

董事於重大交易、安排或合約的權益

除本年報合併財務報表附註29「重大關聯方交易」一節披露者外，於本年年底或截至二零一八年十二月三十一日止年度內任何時間，本公司或其任何附屬公司並非任何就有關本集團業務且其董事或與任何該董事的關連實體擁有直接或間接重大權益的重大交易、安排或合約的訂約方。

董事及高級管理層薪酬

董事會參考薪酬委員會提供的建議並考慮本集團經營業績、個別人士表現及可比擬市場統計資料釐定本集團董事及高級管理層薪酬。

本集團董事酬金及五名最高薪酬人士詳情載於本年報合併財務報表第208至212頁附註33及第190至192頁附註23。

截至二零一八年十二月三十一日止年度，本集團概無向任何董事或五名最高薪酬人士的任何人士發放薪酬，作為加盟本集團或加盟本集團時的獎金或作為離職補償。截至二零一八年十二月三十一日止年度，概無董事放棄任何薪酬。

除上文披露者外，截至二零一八年十二月三十一日止年度，本集團概無向任何董事或代表任何董事支付或應付任何其他款項。

董事於競爭業務的權益

於回顧年度內，概無董事或彼等各自的緊密聯繫人（定義見上市規則）在與本集團的業務競爭或可能競爭的業務中擁有任何權益（擔任本公司及／或其附屬公司董事除外）。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DEED OF NON-COMPETITION

On November 24, 2017, each of the Controlling Shareholders entered into the deed of non-competition (“**Deed of Non-competition**”) in favor of the Company, pursuant to which the Controlling Shareholders have irrevocably, jointly and severally given certain non-competition undertakings to the Company. Details of the Deed of Non-competition are set out in the section headed “Relationship with our Controlling Shareholders – Deed of Non-competition” in the Prospectus.

The Controlling Shareholders confirmed that they have complied with the Non-competition Deed for the year ended December 31, 2018. The independent non-executive Directors have conducted such review for the year ended December 31, 2018 and also reviewed the relevant undertakings and are satisfied that the Deed of Non-competition has been fully complied with.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended December 31, 2018.

EQUITY-LINKED AGREEMENTS

During the year ended December 31, 2018, other than the Post-IPO Share Option Scheme as set out in the section under “Post-IPO Share Option Scheme” and Note 18 to the consolidated financial statements, the Company has not entered into any equity-linked agreement.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended December 31, 2018.

LOAN AND GUARANTEE

During the year ended December 31, 2018, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective connected persons.

根據上市規則持續披露責任

除本年報披露者外，本公司並無上市規則第13.20、13.21及13.22條項下的任何其他披露責任。

不競爭契據

於二零一七十一月二十四日，控股股東以本公司為受益人訂立不競爭契據（「**不競爭契據**」）。據此，各控股股東已不可撤回地共同及個別向本公司作出若干不競爭承諾。不競爭契據詳情載於招股章程「與我們的控股股東關係 – 不競爭契據」一節。

控股股東確認，截至二零一八年十二月三十一日止年度，彼等已遵守不競爭契據。獨立非執行董事已就截至二零一八年十二月三十一日止年度進行有關審閱並檢討相關承諾及信納已完全遵守不競爭契據。

管理合約

除董事服務合約及委任書外，於年底或截至二零一八年十二月三十一日止年度期間任何時間，概無訂立或存在與本集團整體或任何重大部分業務的管理及行政事務有關的合約。

股權掛鈎協議

於截至二零一八年十二月三十一日止年度，除「首次公開發售後購股權計劃」一節及合併財務報表附註18所載的首次公開發售後購股權計劃外，本公司並無訂立任何股權掛鈎協議。

重大法律訴訟

截至二零一八年十二月三十一日止年度，本集團概無涉及任何重大法律訴訟。

貸款及擔保

截至二零一八年十二月三十一日止年度，本集團並無貸款或就任何貸款直接或間接向本公司董事、高級管理層、控股股東或其各自的關連人士作出擔保。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

POST-IPO SHARE OPTION SCHEME

On May 27, 2017, the Company adopted the Post-IPO Share Option Scheme approved by the resolutions of our Shareholders. The purpose of the Share Option Scheme is to attract, retain and motivate employees, Directors and other participants, and to provide a means of compensating them through the grant of options pursuant to the terms of the Post-IPO Share Option Scheme (“**Options**”) for their contribution to the growth and profits of the Group, and to allow such employees, Directors and other persons to participate in the growth and profitability of the Group.

Our Board has appointed The Core Trust Company Limited as the trustee (“**Trustee**”) for the administration of the Post-IPO Share Option Scheme and to hold the Shares which may be granted under the Options through Epic City Limited (“**Nominee**”) a wholly-owned subsidiary of the Trustee. The Trustee shall act in accordance and cooperate with our Board for the purpose of the Post-IPO Share Option Scheme. Our Company will use Shares held by the Nominee and new Shares to be allotted by us to satisfy the Options upon exercise.

Existing Shares held by the Nominee

The Shares which may be transferred from the Nominee upon exercise of all Options to be granted under the Post-IPO Share Option Scheme shall not exceed 149,999,973 Shares (i.e. being the Shares held by the Nominee representing 7.5% of the enlarged issued share capital of our Company as of the Listing Date). Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme shall not be counted for the purpose of calculating this limit. For the avoidance of doubt, Chapter 17 of the Listing Rules only applies to the grant of options over new shares or other new securities of a listed issuer or its subsidiaries. For the Options to be satisfied by transfer of the existing Shares from the Nominee to the relevant participants of the Post-IPO Share Option Scheme upon exercised, as there will be no new Share allotted by the Company to satisfy these Options, such grants of Options were not and will not be governed by Chapter 17 of the Listing Rules.

New Shares to be issued by our Company

The new Shares which may be issued by our Company upon exercise of Options to be granted under the Post-IPO Share Option Scheme and other share option schemes of our Company (and to which the provisions of the Listing Rules are applicable) shall not exceed 200,000,000 Shares (i.e. 10% of the aggregate of the Shares in issue on the Listing Date (“**Scheme Mandate Limit**”)), and such grants of options will be governed by Chapter 17 of the Listing Rules. Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme shall not be counted for the purpose of calculating this Scheme Mandate Limit.

首次公開發售後購股權計劃

於二零一七年五月二十七日，本公司採納首次公開發售後購股權計劃並經股東通過決議案批准。此購股權計劃旨在吸引、挽留及鼓勵僱員、董事及其他參與者，並透過根據首次公開發售後購股權計劃的條款授出購股權（「**購股權**」）酬謝彼等對本集團的增長及溢利所作出的貢獻，以及讓該等僱員、董事及其他人士參與本集團的增長及盈利能力。

董事會已委任The Core Trust Company Limited 作為受託人（「**受託人**」），管理首次公開發售後購股權計劃及透過Epic City Limited（「**代名人**」，受託人的全資附屬公司）持有根據購股權可能授出的股份。受託人須根據董事會就首次公開發售後購股權計劃的目的行事及與董事會合作。本公司將使用由代名人持有的股份及將由我們配發的新股份，滿足行使購股權時的需要。

代名人持有的現有股份

因行使根據首次公開發售後購股權計劃將予授出的所有購股權而可能從代名人轉讓的股份數目不得超過149,999,973股股份（即由代名人持有的股份，相當於截至上市日期本公司經擴大已發行股本的7.5%）。根據首次公開發售後購股權計劃的條款失效的購股權不被納入此上限的計算內。為免存疑，上市規則第17章僅適用於授出涉及上市發行人或其附屬公司的新股份或其他新證券的購股權。就於行使時從代名人轉讓現有股份至首次公開發售後購股權計劃的有關參與者以滿足有關行使的購股權而言，由於本公司將不會配發新股份以滿足該等購股權，因此在此情況下授出購股權並無亦不會受到上市規則第17章的規管。

本公司將發行的新股份

本公司因行使根據首次公開發售後購股權計劃及本公司其他購股權計劃（及上市規則條文適用者）將予授出的購股權而可能發行的新股份不得超過200,000,000股股份（即上市日期已發行股份總數的10%）（「**計劃授權上限**」），而上述授出購股權將受到上市規則第17章的規管。根據首次公開發售後購股權計劃的條款失效的購股權不被納入此計劃授權上限的計算內。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

An Option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during the period to be determined by our Board at its absolute discretion and notified by our Board to each grantee of the Options (the “Grantee”) as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Post-IPO Share Option Scheme. Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules.

The exercise price (“Exercise price”) shall be such price as determined by our Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option), but in the case that any Share would be allotted and issued to a Grantee upon the exercise of an Option in accordance with the terms of the Post-IPO Share Option Scheme, the Exercise Price shall not be less than the higher of (a) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a Business Day, (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) Business Days immediately preceding the date of grant, and (c) the nominal value of a Share. For the avoidance of doubt, in the case that the Share would be transferred from the Trustee to a Grantee upon the exercise of an Option in accordance with the terms of the Post-IPO Share Option Scheme, the Exercise Price shall be determined by the Board, as it may think fit taking into account the Grantee’s contribution to the development and growth of the Group.

A summary of the terms of the Post-IPO Share Incentive Option Scheme, including the information as required to be disclosed in this annual report pursuant to Rule 17.09 of the Listing Rules, has been set out in the section headed “D. Share Incentive Scheme” in Appendix IV of the Prospectus.

於任何12個月期間，因行使根據購股權計劃授予或將授予各合資格人士的購股權（包括已行使、已註銷及未行使的購股權）而已發行及將予發行的股份總數，不得超過已發行股份的1%。

購股權可於董事會全權酌情釐定及向各購股權承授人（「承授人」）通知的期間（即購股權可行使期間）內任何時間，隨時根據首次公開發售後購股權計劃的條款行使；於任何情況下，該期間將不超過任何個別購股權根據首次公開發售後購股權計劃授出當日起計10年。購股權可於董事會全權酌情釐定的期間歸屬，惟須遵守任何適用法律、法規或規則的規定。

行使價（「行使價」）須為由董事會於授出有關購股權當時全權酌情釐定的有關價格（且應在載有授出購股權要約的函件內註明），惟倘於根據首次公開發售後購股權計劃的條款行使購股權後，將向承授人配發及發行任何股份，則行使價不得低於以下的較高者：(a) 股份於授出日期在聯交所每日報價表所列的收市價，而該日須為營業日；(b) 緊接授出日期前五(5)個營業日，股份於聯交所每日報價表所列的平均收市價；及(c) 股份面值。為免生疑問，倘於根據首次公開發售後購股權計劃的條款行使購股權後，股份將由受託人轉讓予承授人，董事會於計及承授人對本集團發展及增長作出的貢獻後釐定其可能認為適當的行使價。

首次公開發售後購股權激勵計劃條款之概要，包括根據上市規則第17.09條須予披露的資料，載於招股章程附錄四「D. 股份獎勵計劃」一節。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

On February 15, 2018, the Board approved to grant Options from the Post-IPO Share Option Scheme to eligible employees for their past contribution to the success of the Group, and to provide incentives to them to further contribute to the Group, the details of which are set out in the announcement of the Company dated February 20, 2018.

The Options are conditionally vested upon satisfying specified service vesting condition, which is mutually agreed by the employees and the Company. The Group has no legal or constructive obligations to repurchase or settle the Options in cash.

On February 15, 2018, 49,498,610 Options, which are to be satisfied solely by the Shares held by Epic City Limited when they are exercised, were granted under the Post-IPO Share Option Scheme. No new Share will be allotted to satisfy such Options. The vesting period of the Options granted is three years and the vesting schedule is 33.33% after twelve months from the grant date, 33.33% after twenty-four months from the grant date, and 33.34% after thirty-six months from the grant date. The exercise price of the Options granted is HK\$0.0074 per Share (in respect of 21,419,696 share options), or US\$0.0074 per Share (in respect of 28,078,914 share options) (equivalent to HK\$0.0579 per Share based on the exchange rate of HK\$1.00 to US\$0.1279). As no new Shares will be allotted by the Company to satisfy the Options, the grant of the Options is not governed by Chapter 17 of the Listing Rules.

No Option has been granted under the Post-IPO Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or an associate of any of them (as defined in the Listing Rules) since its adoption and up to December 31, 2018.

The Company has not granted any Options to be satisfied by new Shares under the Post-IPO Share Option Scheme. Details of movements of the number of the Options to be satisfied by existing Shares held by the Nominee under the Post-IPO Share Option Scheme for the year ended December 31, 2018 are set out below:

Outstanding as at February 15, 2018 於二零一八年 二月十五日 尚未行使	Exercised during the year 已於年內行使	Cancelled during the year 已於年內註銷	Lapsed during the year 已於年內失效	Outstanding as at December 31, 2018 於二零一八年 十二月三十一日 尚未行使	Exercise Price 行使價
49,498,610	0	0	6,843,487	42,655,123	HK\$0.0074 or US\$0.0074 0.0074港元或0.0074美元

於二零一八年二月十五日，董事會批准因合資格僱員過往對本集團成功所作貢獻，而從首次公開發售後購股權計劃向彼等授出購股權，並激勵彼等對本集團作一步貢獻，有關詳情載於本公司日期為二零一八年二月二十日之公告。

購股權乃於符合由僱員及本公司雙方協定的特定服務歸屬條件後方會歸屬。本集團並無以現金購回或結算購股權之法律或推定責任。

於二零一八年二月十五日，本公司已根據首次公開發售後購股權計劃授出49,498,610份購股權，而於獲行使時將僅以Epic City Limited持有的股份滿足，而不會配發新股份以滿足該等購股權的需要。該等購股權的歸屬期為三年，而歸屬時間表如下：於授出日期起計十二個月歸屬33.33%，於授出日期起計二十四個月歸屬33.33%，而於授出日期起計三十六個月歸屬33.34%。所授出購股權的行使價為每股股份0.0074港元（就21,419,696份購股權而言）或每股股份0.0074美元（就28,078,914份購股權而言）（根據1.00港元兌0.1279美元之匯率相等於每股股份0.0579港元）。由於本公司不會配發新股份以滿足購股權的需要，故授出購股權不受上市規則第十七章規管。

自首次公開發售後購股權計劃採納後及直至二零一八年十二月三十一日，概無根據首次公開發售後購股權計劃向本公司董事、行政總裁或主要股東或任何上述各方的聯繫人士（定義見上市規則）授出購股權。

本公司未有根據首次公開發售後購股權計劃授出任何將以新股份滿足行使的購股權。於截至二零一八年十二月三十一日止年度，首次公開發售後購股權計劃項下將以代名人所持的現有股份滿足行使的購股權數目變動如下：



DIRECTORS' REPORT (Continued)

董事會報告 (續)

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at December 31, 2018, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interest in Shares or Underlying Shares of our Company

董事及行政總裁於證券的權益

於二零一八年十二月三十一日，本公司董事及行政總裁於本公司及相聯法團（定義見證券及期貨條例第XV部）股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例的條文，被當作或視為擁有的權益或淡倉）；(b)或根據證券及期貨條例第352條須記入該條例所指的登記冊中；(c)或根據標準守則須知會本公司及聯交所的權益或淡倉如下：

於本公司股份或相關股份的權益

Name of Shareholder	Nature of Interest	Number of ordinary shares interested ⁽¹⁾	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
股東姓名	權益性質	擁有權益的普通股數 ⁽¹⁾	
Mr. LU Yuanfeng ⁽²⁾ 陸源峰先生 ⁽²⁾	Interest in controlled corporation, interest of spouse, interest held jointly with another person 受控制法團權益、配偶權益、與另一人士共同持有的權益	947,958,387 (L)	47.40%
Mr. HUANG Guozhan ⁽³⁾ 黃國湛先生 ⁽³⁾	Interest in controlled corporation, interest held jointly with another person 受控制法團權益、與另一人士共同持有的權益	947,958,387 (L)	47.40%
Mr. HUANG Deqiang 黃德強先生	Interest in controlled corporation, interest held jointly with another person 受控制法團權益、與另一人士共同持有的權益	947,958,387 (L)	47.40%

DIRECTORS' REPORT (Continued)

董事會報告 (續)

Note:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Under the SFO, Mr. LU Yuanfeng is deemed to be interested in all Shares held by LYF Digital Holdings Limited, a company which is wholly owned by him. Mr. LU is also deemed to be interested in all Shares held by (1) Ms. LUO Simin as Ms. LUO is the spouse of Mr. LU; and (2) Mr. HUANG Guozhan and Mr. HUANG Deqiang as they are parties acting in concert.
- (3) Under the SFO, Mr. HUANG Guozhan is deemed to be interested in all Shares held by (1) LXT Digital Holdings Limited, a company which is wholly owned by him; and (2) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Deqiang as they are parties acting in concert.
- (4) Under the SFO, Mr. HUANG Deqiang is deemed to be interested in all Shares held by (1) HDQ Digital Holdings Limited, a company which is wholly owned by him; and (2) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Guozhan as they are parties acting in concert.

附註：

- (1) 字母「L」指該人士於股份的好倉。
- (2) 根據證券及期貨條例，陸源峰先生被視為為於LYF Digital Holdings Limited (彼全資擁有的公司) 所持全部股份中擁有權益。陸先生亦被視為為於(1)駱思敏女士 (由於駱女士為陸先生的配偶)；及(2)黃國湛先生及黃德強先生 (由於彼等為一致行動人士) 所持有的全部股份中擁有權益。
- (3) 根據證券及期貨條例，黃國湛先生被視為為於(1)LXT Digital Holdings Limited (彼全資擁有的公司)；及(2)陸源峰先生、駱思敏女士及黃德強先生 (由於彼等為一致行動人士) 所持全部股份中擁有權益。
- (4) 根據證券及期貨條例，黃德強先生被視為為於(1)HDQ Digital Holdings Limited (彼全資擁有的公司)；及(2)陸源峰先生、駱思敏女士及黃國湛先生 (由於彼等為一致行動人士) 所持全部股份中擁有權益。

Interest in associated corporation

於相聯法團的權益

Name of Director 董事姓名	Associated Corporation 相關法團	Capacity/nature of interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of shareholding interest 概約股權百分比
Mr. LU Yuanfeng 陸源峰先生	LYF Digital Holdings Limited LYF Digital Holdings Limited	Beneficial owner 實益擁有人	100	100%
Mr. HUANG Guozhan 黃國湛先生	LXT Digital Holdings Limited LXT Digital Holdings Limited	Beneficial owner 實益擁有人	100	100%
Mr. HUANG Deqiang 黃德強先生	HDQ Digital Holdings Limited HDQ Digital Holdings Limited	Beneficial owner 實益擁有人	100	100%

Note:

- (1) Under the SFO, a holding company is regarded as an "associated corporation." As of December 31, 2018, LYF Digital Holdings Limited, LXT Digital Holdings Limited and HDQ Digital Holdings Limited held 27.64%, 2.85% and 4.91% of our issued share capital respectively and thus are our associated corporations.

附註：

- (1) 根據證券及期貨條例，控股公司被視為「相聯法團」。截至二零一八年十二月三十一日，LYF Digital Holdings Limited、LXT Digital Holdings Limited及HDQ Digital Holdings Limited分別持有我們的已發行股本的27.64%、2.85%及4.91%，因此是我們的相聯法團。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

Save as disclosed above and in the section headed "Post-IPO Share Option Scheme" and to the best knowledge of the Directors, as at December 31, 2018, none of the Directors or the chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as our Directors are aware, as of December 31, 2018, the following persons will have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company and are therefore regarded as substantial shareholders of our Company under the Listing Rules:

除上文及「首次公開發售後購股權計劃」一節披露者及據董事所深知，截至二零一八年十二月三十一日，概無本公司董事或行政總裁於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例的條文，被當作或視為擁有的權益或淡倉）、根據證券及期貨條例第352條須記入該條例所指的登記冊中及根據標準守則須知會本公司及聯交所的權益及／或淡倉。

主要股東於證券的權益

就董事所知，截至二零一八年十二月三十一日，下列人士於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉，或直接或間接擁有附有權利可在任何情況下在本公司的股東大會上投票的任何類別股本面值10%或以上的權益，因此根據上市規則被視為本公司主要股東：

Name of Shareholder	Nature of Interest	Number of ordinary shares interested ⁽¹⁾ 擁有權益的 普通股數目 ⁽¹⁾	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
Mr. LU Yuanfeng ⁽²⁾ 陸源峰先生 ⁽²⁾	Interest in a controlled corporation; interests of spouse; interest held jointly with another person 受控制法團權益；配偶權益；與另一人士共同持有的權益	947,958,387 (L)	47.40%
LYF Digital Holdings Limited	Beneficial owner; interests held jointly with another person 實益擁有人；與另一人士共同持有的權益	947,958,387 (L)	47.40%

DIRECTORS' REPORT (Continued)

董事會報告 (續)

Name of Shareholder 股東姓名 / 名稱	Nature of Interest 權益性質	Number of ordinary shares interested ⁽¹⁾ 擁有權益的 普通股數目 ⁽¹⁾	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
Ms. LUO Simin ⁽³⁾ 駱思敏女士 ⁽³⁾	Interest in a controlled corporation; interests of spouse; interest held jointly with another person 受控制法團權益；配偶權益；與另一人士共同持有的權益	947,958,387 (L)	47.40%
Angel Age Limited Angel Age Limited	Beneficial owner; interests held jointly with another person 實益擁有人；與另一人士共同持有的權益	947,958,387 (L)	47.40%
Mr. HUANG Guozhan ⁽⁴⁾ 黃國湛先生 ⁽⁴⁾	Interest in a controlled corporation; interest held jointly with another person 受控制法團權益；與另一人士共同持有的權益	947,958,387 (L)	47.40%
LXT Digital Holdings Limited LXT Digital Holdings Limited	Beneficial owner; interests held jointly with another person 實益擁有；與另一人士共同持有的權益	947,958,387 (L)	47.40%
Mr. HUANG Deqiang ⁽⁵⁾ 黃德強先生 ⁽⁵⁾	Interest in a controlled corporation; interest held jointly with another person 受控制法團權益；與另一人士共同持有的權益	947,958,387 (L)	47.40%
HDQ Digital Holdings Limited HDQ Digital Holdings Limited	Beneficial owner; interests held jointly with another person 實益擁有人；與另一人士共同持有的權益	947,958,387 (L)	47.40%
7Road Holdings Limited ⁽⁶⁾ 第七大道控股有限公司 ⁽⁶⁾	Interest in a controlled corporation 受控制法團權益	310,496,901 (L)	15.52%

DIRECTORS' REPORT (Continued)

董事會報告 (續)

Name of Shareholder	Nature of Interest	Number of ordinary shares interested ⁽¹⁾ 擁有權益的 普通股數目 ⁽¹⁾	Approximate percentage of the Company's issued share capital 佔本公司已發行 股本的概約百分比
股東姓名 / 名稱	權益性質		
7Road International	Beneficial owner	310,496,901 (L)	15.52%
7Road International	實益擁有人		
The Core Trust Company Limited ⁽⁷⁾	Trustee	149,999,973 (L)	7.50%
The Core Trust Company Limited ⁽⁷⁾	受託人		
Epic City Limited	Nominee for another person	149,999,973 (L)	7.50%
Epic City Limited	另一人士的代名人		

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Under the SFO, Mr. LU Yuanfeng is deemed to be interested in all Shares held by LYF Digital Holdings Limited, a company which is wholly owned by him. Mr. LU is also deemed to be interested in all Shares held by (i) Ms. LUO Simin as Ms. LUO is the spouse of Mr. LU; and (ii) Mr. HUANG Guozhan and Mr. HUANG Deqiang, as they are parties acting in concert.
- (3) Under the SFO, Ms. LUO Simin is deemed to be interested in all Shares held by Angel Age Limited, a company which is wholly owned by her. Ms. LUO is also deemed to be interested in all Shares held by (i) Mr. LU Yuanfeng as Mr. LU is the spouse of Ms. LUO; and (ii) Mr. HUANG Guozhan and Mr. HUANG Deqiang, as they are parties acting in concert.
- (4) Under the SFO, Mr. HUANG Guozhan is deemed to be interested in all Shares held by (i) LXT Digital Holdings Limited, a company which is wholly owned by him; and (ii) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Deqiang as they are parties acting in concert.

附註：

- (1) 字母「L」表示該人士於股份中的好倉。
- (2) 根據證券及期貨條例，陸源峰先生被視為為於LYF Digital Holdings Limited (彼全資擁有的公司) 持有的全部股份中擁有權益。陸先生亦被視為為(i)駱思敏女士 (由於駱女士為陸先生的配偶) 及(ii)黃國湛先生及黃德強先生 (由於彼等為一致行動人士) 持有的全部股份中擁有權益。
- (3) 根據證券及期貨條例，駱思敏女士被視為為於Angel Age Limited (彼全資擁有的公司) 持有的全部股份中擁有權益。駱女士亦被視為為(i)陸源峰先生 (由於陸先生為駱女士的配偶) 及(ii)黃國湛先生及黃德強先生 (由於彼等為一致行動人士) 持有的全部股份中擁有權益。
- (4) 根據證券及期貨條例，黃國湛先生被視為為(i)LXT Digital Holdings Limited (彼全資擁有的公司) 及(ii)陸源峰先生、駱思敏女士及黃德強先生 (由於彼等為一致行動人士) 持有的全部股份中擁有權益。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

- (5) Under the SFO, Mr. HUANG Deqiang is deemed to be interested in all Shares held by (i) HDQ Digital Holdings Limited, a company which is wholly owned by him; and (ii) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Guozhan as they are parties acting in concert.
- (5) 根據證券及期貨條例，黃德強先生被視為為(i)HDQ Digital Holdings Limited (彼全資擁有的公司)及(ii)陸源峰先生、駱思敏女士及黃國湛先生(由於彼等為一致行動人士)持有的全部股份中擁有權益。
- (6) Under the SFO, 7Road Holdings Limited is deemed to be interested in all Shares held by 7Road International, a company which is wholly owned by 7Road Holdings Limited.
- (6) 根據證券及期貨條例，第七大道控股有限公司被視為為7Road International (第七大道控股有限公司全資擁有的公司)持有的全部股份中擁有權益。
- (7) The Core Trust Company Limited, being the trustee of Post-IPO Share Option Scheme, directly holds the entire issued share capital of Epic City Limited, which holds Shares underlying the options to be granted under the scheme for the benefit of eligible participants pursuant to such scheme.
- (7) The Core Trust Company Limited (即首次公開發售後購股權計劃的受託人)直接持有Epic City Limited的全部已發行股本，而Epic City Limited則根據該計劃為合資格參與者的利益持有根據該計劃將授出的購股權涉及的股份。

Save as disclosed herein, our Directors are not aware of any person who, as of December 31, 2018, had interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

除本報告披露者外，董事並不知悉截至二零一八年十二月三十一日，任何人士於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉，或直接或間接擁有附有權利可在任何情況下在本公司的股東大會上投票的任何類別股本面值10%或以上的權益。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Post-IPO Share Option Scheme, at no time during the year under review was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

購買股份或債權證安排

除首次公開發售後購股權計劃外，本公司、其控股公司或任何附屬公司概無於回顧年度任何時間訂立任何安排，致使董事可透過購買本公司或任何其他法人團體股份或債務證券(包括債權證)而獲益。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

MAJOR SUPPLIERS AND CUSTOMERS

In the year under review, the Group's largest customers accounted for 22.4% of the Group's total revenue. The Group's five largest customers accounted for 59.9% of the Group's total revenue.

In the year under review, the Group's largest suppliers accounted for 34.2% of the Group's total purchase. The Group's five largest suppliers accounted for 61.7% of the Group's total purchase.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their holding of the Company's securities.

HUMAN RESOURCES

As at December 31, 2018, the Group had 182 employees (2017: 136), 46 of which were responsible for game development and maintenance, 90 for game operation and offline events organization and 46 for general administration and corporate management. The total remuneration expenses for the year ended December 31, 2018 were approximately US\$6.5 million, representing increase of 132.1% as compared to the year ended December 31, 2017.

The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. We provide regular training to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development courses for management personnel.

主要供應商及客戶

於回顧年度內，本集團的最大客戶佔本集團總收入22.4%。本集團的五大客戶佔本集團總收入59.9%。

於回顧年度內，本集團的最大供應商佔本集團採購總額34.2%。本集團的五大供應商佔本集團採購總額61.7%。

概無董事或其任何緊密聯繫人（定義見上市規則）或任何據董事所深知擁有本公司已發行股本多於5%的股東於本集團的五大供應商或五大客戶擁有任何實益權益。

上市證券持有人的稅務優惠或豁免

本公司並不知悉本公司股東因持有本公司證券而可獲得的任何稅務優惠或豁免。

人力資源

於二零一八年十二月三十一日，本集團聘有182名僱員（二零一七年：136名），其中46名負責遊戲開發及維護，90名負責遊戲營運及線下活動統籌，而46名負責行政及企業管理。截至二零一八年十二月三十一日止年度的總薪酬開支約為6.5百萬美元，較截至二零一七年十二月三十一日止年度增加132.1%。

本集團與僱員訂立僱傭合約，訂明職位、僱用年期、工資、僱員福利、違約責任及終止理由等事宜。本集團僱員的薪酬包括基本薪金、津貼、花紅、購股權及其他僱員福利，並參考彼等之經驗、資歷及一般市場狀況釐定。本集團僱員的薪酬政策由董事會根據僱員的長處、資歷及能力而制定。我們向僱員提供定期培訓，以改善他們的技巧及知識。培訓課程涵蓋持續教育進修至技能訓練，並為管理人員提供專業發展課程。

DIRECTORS' REPORT (Continued)

董事會報告(續)

RETIREMENT BENEFITS SCHEME

The Group's employees in Hong Kong have all participated in the Mandatory Provident Fund in Hong Kong. The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

Details of the pension obligations of the Company are set out in Note 23 to the consolidated financial statements in this annual report.

CONNECTED TRANSACTIONS

Continuing connected transactions for the period from January 1, 2018 to December 31, 2018

退休福利計劃

本集團香港僱員均參與了香港強制性公積金。中國附屬公司的僱員均為中國政府運作的國家管理退休福利計劃成員。中國附屬公司的僱員須按其薪酬的若干百分比向退休福利計劃供款，以撥付有關福利所需的款項。就此退休福利計劃而言，本集團的唯一責任乃根據該計劃作出規定的供款。

本公司退休金責任詳情載於本年報合併財務報表附註23。

關連交易

由二零一八年一月一日至二零一八年十二月三十一日期間之持續關連交易

		Amount	Annual cap (Note a)
		金額	年度上限
		USD	USD
		美元	美元
Royalty fees charged by 7Road arising from content distribution agreements (Note b)	因內容發行協議產生由第七大道收取之版權費(附註b)	2,108,642	4,500,000
License fees and royalty fees charged by 7Road arising from IP licensing agreements (Note c)	因知識產權許可協議產生由第七大道收取之許可費及版權費(附註c)	2,180,640	2,200,000

(a) The cap is for the period from January 1, 2018 to December 31, 2018.

(a) 該上限是由二零一八年一月一日至二零一八年十二月三十一日期間的上限。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

- (b) The Group has entered into content distribution agreements with 7Road with respect to two particular game series originally developed by 7Road, namely the *Wartune* series and the *DDTank* series (the “7Road Games”), under which 7Road granted the Group the right to distribute its web games in specified language versions or geographical markets. On July 6, 2017, the Group entered into a content distribution framework agreement with 7Road (the “**Framework Agreement**”), pursuant to which 7Road agreed to grant the right to publish the 7Road Games or other games developed by 7Road from time to time. 7Road generally received a commission of approximately 15.0% to 23.0% of the gross billings derived from web games.
- (c) The Group entered into IP licensing agreements with 7Road on February 1, 2013 (as further amended by a supplemental agreements dated September 1, 2013, January 21, 2014, June 1, 2014, July 10, 2015, August 3, 2015, July 5, 2017, February 1, 2018 and May 10, 2018), pursuant to which the Group obtained an IP license and developed several casual shooting games in mobile formats until June 30, 2023. During the year ended December 31, 2018, the Group paid 7Road license fees of USD2,000,000 and royalty fees consisting of a fixed advance payment and a revenue sharing arrangement based on a range of 3.0% to 15.0% of the gross billings generated from the self-developed games which adopted its IP.

Save as disclosed above, during the year ended December 31, 2018, the Group has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

Save as disclosed under the section headed “Significant Related Party Transactions” stated in Note 29 to the consolidated financial statements, no contract of significance in relation to the Group’s business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended December 31, 2018.

- (b) 本集團已與第七大道訂立內容發行協議（其涉及兩個由第七大道原創的特定遊戲系列，分別為*Wartune*系列和*DDTank*系列（「第七大道遊戲」）。據此，第七大道授予本集團以指定語言版本或於指定地域市場發行其網頁遊戲的權利。於二零一七年七月六日，本集團與第七大道訂立一項內容發行框架協議（「**框架協議**」）。據此，第七大道同意授予發行第七大道遊戲或第七大道不時開發的其他遊戲的權利。第七大道一般收取網頁遊戲所產生總流水賬額約15.0%至23.0%作為佣金。
- (c) 本集團於二零一三年二月一日與第七大道訂立知識產權許可協議（經日期為二零一三年九月一日、二零一四年一月二十一日、二零一四年六月一日、二零一五年七月十日、二零一五年八月三日、二零一七年七月五日、二零一八年二月一日及二零一八年五月十日的補充協議進一步修訂）。據此，本集團取得知識產權許可，並開發數個手機格式的休閒射擊遊戲，直至二零二三年六月三十日止。截至二零一八年十二月三十一日，本集團已支付第七大道2,000,000美元授權金和版權費包括固定的預付款以及收入分攤安排（按我們自主開發的遊戲（其採用了彼等的知識產權）所產生的總流水賬額中的3.0%至15.0%計算）。

除上文披露者外，截至二零一八年十二月三十一日止年度，本集團並無訂立任何須根據上市規則第14A.71條規定須作出披露的其他關連交易或持續關連交易。

除合併財務報表附註29內「重大關聯方交易」一節披露者外，於截至二零一八年十二月三十一日止年度內並無存在本集團參與訂立而董事在其中擁有直接或間接權益的有關本集團業務之重大合約。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

The independent non-executive Directors have reviewed the aforementioned continuing connected transactions and confirmed that these transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better (as defined in the Listing Rules); and
- (3) on the terms of the respective transaction agreements, which are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed as above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended December 31, 2018 are set out in Note 29 to the consolidated financial statements contained herein. One of such related party transactions constitutes a continuing connected transaction under Chapter 14A of the Listing Rules and the Company has complied with the requirements in Chapter 14A of the Listing Rules. Details of such continuing connected transaction are set out in the section headed "Connected Transaction" of this Directors' report.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- (1) 在本集團一般及日常業務過程中；
- (2) 按一般商業條款或更佳條款（定義見上市規則）；及
- (3) 按有關交易協議的條款（屬公平合理並符合股東及本公司的整體利益）而訂立。

根據上市規則第14A.56條，本公司核數師已獲董事會委聘，按照香港會計師公會頒佈之香港鑑證業務準則第3000號（經修訂）「非審核或審閱過往財務資料之鑑證工作」規定，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團之持續關連交易作出報告。核數師已根據上市規則第14A.56條就上文披露的持續關連交易發出其無保留意見函件，當中載有其調查結果及結論。本公司已向聯交所提交該核數師函件。

關聯方交易

有關本集團截至二零一八年十二月三十一日止年度關聯方交易的詳情，載於本年報合併財務報表的附註29。該等關聯方交易的其中一項構成上市規則第14A章項下之持續關連交易，而本公司已遵守上市規則第14A章的規定。該持續關連交易的詳情載於本董事會報告「關連交易」一節。

足夠公眾持股量

根據本公司所獲得的公開資料及就董事會所知，於本年報日期，本公司已維持上市規則規定的公眾持股量。



DIRECTORS' REPORT (Continued)

董事會報告 (續)

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) in relation to the director's and officer's liability insurance is currently in force and was in force during the year under review.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the year under review, save for deviation from code provision A.2.1 of the CG Code.

Pursuant to code provision A.2.1 of the CG Code, the responsibility between the chairman and chief executive officer should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Mr. LU Yuanfeng currently performs these two roles. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced individuals. The Board currently comprises three executive Directors (including Mr. LU Yuanfeng) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 34 to 47 of this annual report.

董事的彌償保證

於目前及回顧年度均已就有關董事及高級職員的責任保險實施獲准許的彌償條文(定義見香港公司條例)。

企業管治

本公司肯定良好企業管治對改善本公司管理及保護整體股東利益的重要性。本集團已採納載於企業管治守則的守則條文，作為管治其企業管治常規的守則。

董事認為，於回顧年度內，本公司已遵守企業管治守則所載相關守則條文，惟企業管治守則條文A.2.1條除外。

根據企業管治守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。然而，本公司並無區分主席與行政總裁，現時由陸源峰先生同時擔任該兩個職位。董事會認為，將主席及首席執行官的角色授予同一人兼任有利於本集團的管理。高級管理董事會(由經驗豐富的個別人士組成)的運作確保權力與權限的平衡。董事會現時由三名執行董事(包括陸源峰先生)及三名獨立非執行董事組成，因此其組成具有頗強的獨立元素。

董事會將繼續檢討及監察本公司運作，旨在維持高企業管治水平。

有關本公司所採納的企業管治常規的資料，載於本年報第34至47頁的企業管治報告。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

DONATIONS

During the year ended December 31, 2018, the Group did not make any charitable donations.

AUDITOR

The consolidated financial statements for the year ended December 31, 2018 have been audited by PricewaterhouseCoopers, Certified Public Accountants, who are proposed for reappointment at the forthcoming AGM.

COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended 31 December 2018, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

On behalf of the Board

LU Yuanfeng

Chairman and Chief Executive Officer

Hong Kong, March 22, 2019

捐款

截至二零一八年十二月三十一日止年度，本集團並無作出任何慈善捐款。

核數師

本公司截至二零一八年十二月三十一日止年度合併財務報表經執業會計師羅兵咸永道會計師事務所審核，並會於即將舉行的股東週年大會上重新委任該核數師。

法律及法規合規情況

截至二零一八年十二月三十一日止年度，本公司已遵守對本公司有重大影響的相關法律及法規。

代表董事會

陸源峰

主席兼首席執行官

香港，二零一九年三月二十二日



Independent Auditor's Report

獨立核數師報告

To the Shareholders of Digital Hollywood Interactive Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Digital Hollywood Interactive Limited (the "Company") and its subsidiaries (the "Group") set out on pages 102 to 212, which comprise:

- the consolidated balance sheet as at December 31, 2018;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致遊萊互動集團有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

遊萊互動集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第102至212頁的合併財務報表,包括:

- 於二零一八年十二月三十一日的合併資產負債表;
- 截至該日止年度的合併全面收益表;
- 截至該日止年度的合併權益變動表;
- 截至該日止年度的合併現金流量表;及
- 合併財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等合併財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於二零一八年十二月三十一日的財務狀況及其截至該日止年度的合併財務表現及合併現金流量,並已遵照《香港公司》條例的披露規定妥為擬備。

Independent Auditor's Report (Continued)

獨立核數師報告（續）

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 of the current period. 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 matter identified in our audit is summarised as follows:

- Revenue recognition – estimates of lifespan of in-game virtual items with reference to expected playing period of paying players (“Player Relationship Period”) in the Group's online game service

意見的基礎

我們已根據《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表須承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據國際會計師專業操守理事會頒佈的《專業會計師道德守則》（以下簡稱「道德守則」），我們獨立於貴集團，並已履行專業守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概要如下：

- 收入確認－參考貴集團的遊戲產品服務中玩家關係持續時間（「玩家關係期」），估計遊戲虛擬道具的使用壽命。





Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Revenue recognition – estimates of lifespan of in-game virtual items with reference to expected playing period of paying players (“Player Relationship Period”) in the Group’s online game service.

收入確認 – 參考 貴集團的遊戲產品服務中玩家關係持續時間(「玩家關係期」)，估計遊戲虛擬道具的使用壽命。

Refer to Note 5 to the consolidated financial statements

請參閱合併財務報表附註5

During the year ended December 31, 2018, the Group’s revenue from online games amounted to USD21,453,881, representing 89% of the Group’s total revenue. It was mainly derived from the sales of in-game virtual items. The amount of associated contract liabilities amounted to USD3,041,248, as at December 31, 2018, representing 29% of the Group’s total liabilities as at that date.

截至二零一八年十二月三十一日止年度， 貴集團來自網絡遊戲的收入為21,453,881美元，佔 貴集團總收入的89%。收入主要來自銷售遊戲虛擬道具。於二零一八年十二月三十一日相關的合約負債金額為3,041,248美元，佔本集團於該日的總負債29%。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We understood, evaluated and validated the key controls in relation to the recognition of revenue from in-game virtual items, including oversight exercised by management in assessing the Player Relationship Periods and computing the monthly revenue of game virtual items performed by management; inspection of evidence of management’s review; testing of the integrity and system logic of data and information for supporting the determination of the Player Relationship Periods, on a sample basis.

我們了解、評估和驗證有關確認來自遊戲虛擬道具的收入之主要監控，包括管理層評估玩家關係期及計算遊戲虛擬道具的每月收入時管理層所進行的監督；檢查管理層進行審閱的證據；以抽樣方式測試用作支持釐定玩家關係期的數據及資料的完整性及系統邏輯性。

We discussed with management and evaluated their judgements and estimations made in determining the Player Relationship Period for each game. We also assessed the accuracy of the management’s judgements and estimations by comparing to historical patterns on a sample basis.

我們曾與管理層討論，並評價了彼等就每個遊戲釐定玩家關係期所作的判斷及假設。我們亦透過以抽樣方式與歷史模式作比較，評估了管理層所作判斷及估計的準確性。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

The Group's in-game virtual items are categorised as both consumable virtual items and durable items. Revenue derived from consumable items in its online game service are recognised once they are consumed. Revenue derived from durable virtual items in its online game services are recognised ratably over the lifespan of durable virtual items with reference to Player Relationship Period (defined in Note 2.20), on a game by game basis. If the Group does not have the ability to differentiate revenue attributable to durable items from consumable items for a specific game, the Group recognises revenue from both durable and consumable items for that game ratably over the Player Relationship Period. During the year ended December 31, 2018, all in-game virtual items were treated as durable items by the Group.

貴集團的遊戲虛擬道具歸類為消耗類虛擬道具及耐用類虛擬道具。來自其網絡遊戲服務內消耗類道具的收入乃於消耗時確認。來自其網絡遊戲服務內耐用類虛擬道具的收入，乃以逐個遊戲為基準，參考玩家關係期（定義見附註2.20）於耐用類虛擬道具的使用壽命內按比例確認。倘就某特定遊戲而言，貴集團無法分辨收入乃來自耐用類道具還是消耗類道具，則貴集團就該遊戲於玩家關係期內，按比例確認來自耐用及消耗類道具兩者的收入。於截至二零一八年十二月三十一日止年度，所有遊戲虛擬道具均被貴集團視為耐用類道具。

The determination of the Player Relationship Period for relevant game virtual items requires significant judgement and estimates. It is made taking into account all known and relevant information available to the Group at the time of assessment. Thus, specific audit focus was placed in this area.

就相關遊戲虛擬道具釐定玩家關係期，須作出重大判斷及估計，而此乃考慮到貴集團於進行評估當時可得的相關資料作出。因此，此方面屬於特別審計關注重點。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We also recalculated the contract liabilities balance based on the respective Player Relationship Period of each game on a sample basis.

我們已以抽樣方式，根據每個遊戲各自的玩家關係期重新計算了合約負債結餘。

Based on the above, we found that the significant judgement and estimates involved in determining the Player Relationship Periods adopted by management in the revenue recognition of in-game virtual items of the Group were supported by the evidence we obtained.

基於以上理據，我們發現管理層釐定就貴集團的遊戲虛擬道具作收入確認時採納的玩家關係期所作之重大判斷及估計，得到我們所獲提供證據的支持。



Independent Auditor's Report (Continued)

獨立核數師報告（續）

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

就我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

在擬備合併財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。

Independent Auditor's Report (Continued)

獨立核數師報告（續）

AUDITOR'S 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 auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計合併財務報表須承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



Independent Auditor's Report (Continued)

獨立核數師報告（續）

- Conclude on the appropriateness of the directors' 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with the Audit Committee, 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 the Audit Committee 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.

除其他事項外，我們與審核委員會就計劃的審計範圍、時間安排、重大審計發現等進行了溝通，包括我們在審計中識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們就有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下相關的防範措施進行了溝通。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 partner on the audit resulting in this independent auditor's report is Fong Wan Huen.

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

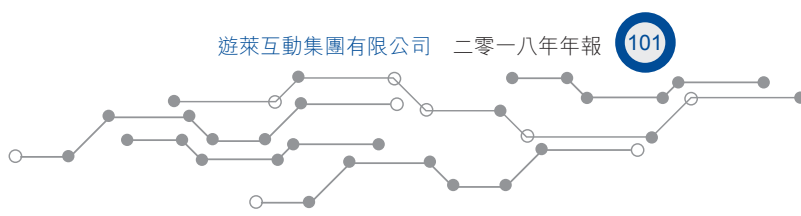
出具本獨立核數師報告的審計項目合夥人是方蘊萱。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 22, 2019

羅兵咸永道會計師事務所
執業會計師

香港，二零一九年三月二十二日



Consolidated Balance Sheet

合併資產負債表

As at December 31, 2018 於二零一八年十二月三十一日

			2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	6	2,107,128	270,592
Intangible assets	無形資產淨額	7	2,316,324	461,101
Investment in an associate	於聯營公司的投資	11	640,233	681,625
Prepayments and other receivables	預付款及其他應收款項	14	4,342,699	191,005
Deferred income tax assets	遞延所得稅資產	12	173,875	239,452
Financial assets at fair value through other comprehensive income	按公平值計量且其變動計入其他全面收益的金融資產	8	2,670,518	-
			12,250,777	1,843,775
Current assets	流動資產			
Contract costs	合約成本		695,396	899,724
Trade receivables	貿易應收款項	13	3,625,121	4,192,093
Prepayments and other receivables	預付款及其他應收款項	14	14,561,573	12,896,914
Cash and cash equivalents	現金及現金等價物	15	32,598,242	43,997,614
			51,480,332	61,986,345
Total assets	總資產		63,731,109	63,830,120
EQUITY AND LIABILITIES	權益及負債			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	16	2,000,000	2,000,000
Shares held for the Share Option Scheme	就購股權計劃持有的股份	16	(150,000)	(150,000)
Reserves	儲備	17	38,282,476	35,933,689
Retained earnings	保留盈利		13,144,180	12,279,521
Total equity	總權益		53,276,656	50,063,210

Consolidated Balance Sheet (Continued)

合併資產負債表(續)

As at December 31, 2018 於二零一八年十二月三十一日

		Note	2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
		附註		
Liabilities	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅負債	12	56,021	43,573
Current liabilities	流動負債			
Trade payables	貿易應付款項	19	3,177,289	4,522,484
Contract liabilities	合約負債		3,806,299	4,069,400
Receipt in advance	預收款項		136,193	107,893
Other payables and accruals	其他應付款項及應計費用	20	2,652,333	4,322,401
Current income tax liabilities	即期所得稅負債		626,318	701,159
			10,398,432	13,723,337
Total liabilities	總負債		10,454,453	13,766,910
Total equity and liabilities	總權益及負債		63,731,109	63,830,120

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

以上合併資產負債表應與隨附的附註一併閱讀。

The financial statements on pages 102 to 212 were approved by the Board of Directors on March 22, 2019 and were signed on its behalf.

第102至212頁的財務報表已由董事會於二零一九年三月二十二日批准並代為簽署。

Director
董事

Director
董事

Consolidated Statement of Comprehensive Income

合併全面收益表

For the year ended December 31, 2018 截至二零一八年十二月三十一日止年度

		Note	2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
		附註		
Revenue	收入	5	24,161,349	28,620,609
Cost of revenue	成本	22	(10,842,465)	(12,694,912)
Gross profit	毛利		13,318,884	15,925,697
Selling and marketing expenses	銷售及營銷開支	22	(5,377,888)	(3,424,909)
Administrative expenses	行政開支	22	(5,022,420)	(7,536,629)
Research and development expenses	研發開支	22	(1,536,779)	(452,743)
Other gains/(losses), net	其他收益/(虧損)淨額	21	711,342	(539,913)
Operating profit	經營溢利		2,093,139	3,971,503
Finance income	財務收入	24	11,851	97,298
Finance costs	財務成本	24	(93,418)	(39,388)
Finance (costs)/income, net	財務(成本)/收入淨額	24	(81,567)	57,910
Share of loss of an associate	分佔聯營公司的虧損	11	(3,355)	(47,274)
Profit before income tax	除所得稅前溢利		2,008,217	3,982,139
Income tax expense	所得稅開支	25	(1,071,113)	(2,255,465)
Profit for the year	年內溢利		937,104	1,726,674
Other comprehensive income	其他全面收益			
Items that may be reclassified subsequently to profit or loss	可能於其後重新分類至損益的項目			
– Currency translation differences	– 貨幣換算差額		(445,971)	557,128
Items that may not be reclassified subsequently to profit or loss	其後未必會重新分類至損益的項目			
– Changes in fair value of investment in equity securities	– 證券投資的公平值變動		89,572	–
Total comprehensive income for the year	年內全面收益總額		580,705	2,283,802

Consolidated Statement of Comprehensive Income (Continued)

合併全面收益表（續）

For the year ended December 31, 2018 截至二零一八年十二月三十一日止年度

			2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
		Note 附註		
Profit attributable to:	以下應佔溢利：			
Owners of the Company	本公司擁有人		937,104	1,726,674
Total comprehensive income attributable to:	以下應佔全面收益總額：			
Owners of the Company	本公司擁有人		580,705	2,283,802
Earnings per share (expressed in USD cents per share)	每股盈利（以每股美仙列示）			
– Basic	– 基本	26	0.05	0.13
– Diluted	– 攤薄		0.05	0.13
Dividends	股息	27	–	–

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上合併全面收益表應與隨附的附註一併閱讀。

Consolidated Statement of Changes in Equity

合併權益變動表

For the year ended December 31, 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔				
		Share capital	Option Scheme	Reserves	Retained earnings	Total
		股本	持有之股份	儲備	保留盈利	總計
		USD	USD	USD	USD	USD
		美元	美元	美元	美元	美元
		Notes				
		附註				
Balance at January 1, 2018	於二零一八年 一月一日的結餘					
		2,000,000	(150,000)	35,933,689	12,279,521	50,063,210
Profit for the year	年內溢利	-	-	-	937,104	937,104
Other comprehensive income	其他全面收益					
- net gains from changes in fair value of financial assets at fair value through other comprehensive income	- 按公平值計量且其變動計入其他全面收益的金融資產的公平值變動					
	收益淨額	8, 12	-	-	89,572	89,572
- currency translation differences	- 貨幣換算差額	17	-	-	(445,971)	(445,971)
Total comprehensive income for the year	年內全面收益總額					
		-	-	(356,399)	937,104	580,705
Transaction with owners in their capacity as owners	與擁有人(以擁有人身份)的交易					
Appropriation to statutory reserves	轉撥至法定儲備	17(a)	-	-	72,445	(72,445)
The Share Option Scheme	購股權計劃					
- value of employee services	- 僱員服務價值		-	-	2,632,741	2,632,741
Balance at December 31, 2018	於二零一八年 十二月三十一日的結餘					
		2,000,000	(150,000)	38,282,476	13,144,180	53,276,656

Consolidated Statement of Changes in Equity (Continued)

合併權益變動表（續）

For the year ended December 31, 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Total 總計
		Share capital 股本	Shares held for the Share Option Scheme 持有之股份 就購股權計劃	Reserves 儲備	Retained earnings 保留盈利		
Note 附註		USD 美元	USD 美元	USD 美元	USD 美元	USD 美元	
Balance at January 1, 2017	於二零一七年 一月一日的結餘	10,000	–	(394,315)	11,175,806	10,791,491	
Profit for the year	年內溢利	–	–	–	1,726,674	1,726,674	
Other comprehensive income – currency translation differences	其他全面收益 – 貨幣換算差額	17	–	557,128	–	557,128	
Total comprehensive income for the year	年內全面收益總額	–	–	557,128	1,726,674	2,283,802	
Transaction with owners in their capacity as owners	與擁有人（以擁有人身份） 的交易						
Shares allotted for the share incentive scheme	就股份激勵計劃 配發股份	1,111	(1,111)	–	–	–	
Capitalisation issue	資本化發行	1,488,889	(148,889)	(1,340,000)	–	–	
Shares issued pursuant to the IPO	根據首次公開發售 發行股份	500,000	–	36,487,917	–	36,987,917	
Appropriation to statutory reserves	轉撥至法定儲備	17(a)	–	622,959	(622,959)	–	
Balance at December 31, 2017	於二零一七年 十二月三十一日的結餘	2,000,000	(150,000)	35,933,689	12,279,521	50,063,210	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上合併權益變動表應與隨附的附註一併閱讀。

Consolidated Statement of Cash Flows

合併現金流量表

For the year ended December 31, 2018 截至二零一八年十二月三十一日止年度

		Note	2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
		附註		
Cash flows from operating activities	來自經營活動的現金流量			
Cash generated from operations	經營所得現金	28	1,330,361	1,313,529
Income tax paid	已付所得稅		(1,046,725)	(3,570,061)
Net cash generated/(used in) from operating activities	經營活動所得/(所用)現金淨額		283,636	(2,256,532)
Cash flows from investing activities	來自投資活動的現金流量			
Purchases of property, plant and equipment	購置物業、廠房及設備		(2,226,696)	(94,510)
Purchases of intangible assets	購置無形資產		(2,955,663)	(573,000)
Prepayment for investment	投資的預付款		(3,500,000)	–
Payment for financial assets at fair value through other comprehensive income	就按公平值計量且其變動計入其他全面收益的金融資產的付款		(2,559,607)	–
Net cash used in investing activities	投資活動所用現金淨額		(11,241,966)	(667,510)
Cash flows from financing activities	來自融資活動的現金流量			
Proceed from IPO and over-allotment	首次公開發售及 超額配發所得款項		–	40,320,000
Payment for IPO costs	首次公開發售成本付款		(363,147)	(1,541,678)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		(363,147)	38,778,322
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(11,321,477)	35,854,280
Cash and cash equivalents at beginning of year	年初的現金及現金等價物		43,997,614	8,130,169
Exchange (losses)/gains on cash and cash equivalents	現金及現金等價物的匯兌(虧損)/收益		(77,895)	13,165
Cash and cash equivalents at end of the year	年末的現金及現金等價物		32,598,242	43,997,614

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

以上合併現金流量表應與隨附的附註一併閱讀。

Notes to the Consolidated Financial Statements

合併財務報表附註

1 GENERAL INFORMATION

Digital Hollywood Interactive Limited (the “Company”) was incorporated in the Cayman Islands on November 24, 2014 as an exempted company with limited liability. The address of the Company’s registered office is P.O. Box 2075, George Town, Grand Cayman KY1-1105, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the development, operations and publishing of web-based games and mobile games business (“Game Business”) in North America, Europe, The People’s Republic of China (the “PRC”) and other regions.

On December 15, 2017, the Company completed its initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited (the “IPO”).

The Group’s Game Business is carried out through several operating companies, namely Proficient City Limited (“PCL”), a limited liability company incorporated in the British Virgin Islands (“BVI”), Angame Inc. (“Angame”), a limited liability company incorporated in the BVI, Game Hollywood Hong Kong Limited (“Hollywood HK”), a limited liability company incorporated in Hong Kong, Now To Play Game Limited (“N2PG”), a limited liability company incorporated in Hong Kong, 廣州市歲月年代軟件科技有限公司 (Guangzhou Suiyue Niandai Software Technology Company Limited, “Guangzhou Suiyue Niandai”), a limited company incorporated in the PRC, 廣州游萊信息科技有限公司 (Guangzhou Youlai Information Technology Company Limited, “Guangzhou Youlai”), a limited company incorporated in the PRC and 廣州掌贏控信息科技有限公司 (Guangzhou Zhang Ying Kong Information Technology Company Limited, “Zhang Ying Kong”). Mr. Lu Yuanfeng, Mr. Huang Deqiang and Mr. Huang Guozhan (collectively as the “Founders”) are the founders of the Group.

The financial statements are presented in United States Dollars (“USD”), unless otherwise stated, and have been approved for issue by the Company’s Board of Directors on March 22, 2019.

1 一般資料

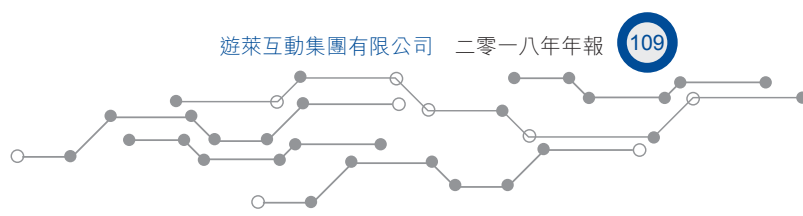
遊萊互動集團有限公司(「本公司」)於二零一四年十一月二十四日在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 2075, George Town, Grand Cayman KY1-1105, Cayman Islands。

本公司為一家投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要於北美洲、歐洲、中華人民共和國(「中國」)及其他地區從事網頁遊戲及手機遊戲的開發、經營及發行業務(「遊戲業務」)。

於二零一七年十二月十五日,本公司在香港聯合交易所有限公司主板完成其首次公開發售。

本集團的遊戲業務透過數家營運公司進行,該等公司為Proficient City Limited(「PCL」,於英屬處女群島(「英屬處女群島」)註冊成立的有限公司)、Angame Inc.(「Angame」,於英屬處女群島註冊成立的有限公司)、Game Hollywood Hong Kong Limited(「Hollywood HK」,於香港註冊成立的有限公司)、Now To Play Game Limited(「N2PG」,於香港註冊成立的有限公司)、廣州市歲月年代軟件科技有限公司(「廣州歲月年代」,於中國註冊成立的有限公司)、廣州游萊信息科技有限公司(「廣州游萊」,於中國註冊成立的有限公司)及廣州掌贏控信息科技有限公司(「掌贏控」)。陸源峰先生、黃國湛先生及黃德強先生為本集團的創辦人。

除另有指定外,財務報表以美元(「美元」)呈列,並已於二零一九年三月二十二日由本公司董事會批准刊發。





Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

2 主要會計政策概要

本附註載列編製此等合併財務報表時採納之主要會計政策。除另有指定外，該等政策已貫徹應用於呈列的所有年度。

2.1 編製基準

本集團的合併財務報表乃按國際財務報告準則（「國際財務報告準則」）及香港公司條例（第622章）的披露規定編製。合併財務報表乃根據歷史成本常規編製。

編製符合國際財務報告準則的合併財務報表要求運用若干重要的會計估計。其亦要求管理層於應用本集團的會計政策過程中作出判斷。涉及較多判斷或較大複雜性的範疇，或當中的假設及估計對於合併財務報表而言屬重大的範疇，於下文附註4披露。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after January 1, 2018:

IFRS 2 (Amendment) (Note 2.19)

國際財務報告準則第2號（修訂版）（附註2.19）

IFRS 15 (Note 2.2.1)

國際財務報告準則第15號（附註2.2.1）

IFRS 9

國際財務報告準則第9號

IFRIC 22

國際財務報告詮釋委員會詮釋第22號

Annual Improvements to IFRSs

2014-2016 Cycle

國際財務報告準則

二零一四年至二零一六年週期的年度改進

Amendment to IAS 28

國際會計準則第28號修訂版

Amendments to IFRSs effective for the financial year beginning on or after January 1, 2018 do not have a material impact on the Group's financial statements and did not require retrospective adjustments, except for IFRS 15. The impact of the adoption of IFRS 15 are disclosed in Note 2.2.1 below.

2 主要會計政策概要（續）

2.1 編製基準（續）

2.1.1 本集團採納之新訂及經修訂準則

以下準則的修訂由本集團於二零一八年一月一日或之後開始的財政年度首次採納：

Classification and Measurement of Share-based Payment Transactions

以股份支付的交易的分類及計量

Revenue from Contracts with Customers

來自客戶合約的收入

Financial Instruments

金融工具

Foreign Currency Transactions and Advance Consideration

外幣交易及預付代價

Retirement of Short-term Exemptions in IFRS 1

收回國際財務報告準則第1號的短期豁免

Clarifying Measurement of Investments under IAS 28

澄清國際會計準則第28號項下的投資計量

Investments in Associates and Joint Ventures

於聯營公司及合營公司的投資

於二零一八年一月一日或之後開始的財政年度生效的國際財務報告準則的修訂，除國際財務報告準則第15號外，對本集團的財務報表並無重大影響，亦無需作出追溯調整。採納國際財務報告準則第15號的影響在下文附註2.2.1披露。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註 (續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要 (續)

2.1 Basis of preparation (Continued)

2.1 編製基準 (續)

2.1.2 New standards, amendments to existing standards and interpretations not adopted

2.1.2 尚未採納的新準則、現有準則的修訂及詮釋

		Effective for annual periods beginning on or after 於下列日期或之後開始的年度期間生效
Annual Improvements to IFRSs 2015-2017 Cycle (Note(a))	Previously held interest in a joint operation, income tax consequences of payments on financial instruments classified as equity and borrowing costs eligible for capitalisation	January 1, 2019
國際財務報告準則二零一五年至二零一七年週期的年度改進 (附註(a))	過往在合營業務中持有的權益、就分類為權益的金融工具付款的所得稅後果，以及合資格資本化的借貸成本	二零一九年一月一日
IFRS 19 (Amendments) (Note(a)) 國際財務報告準則第19號 (修訂版) (附註(a))	Financial Instruments 金融工具	January 1, 2019 二零一九年一月一日
IAS 28 (Amendments) (Note(a)) 國際財務報告準則第28號 (修訂版) (附註(a))	Long-term Interests in Associates and Joint Ventures 於聯營公司及合營企業的長期權益	January 1, 2019 二零一九年一月一日
IFRIC 23 (Note(a)) 國際財務報告詮釋委員會詮釋第23號 (附註(a))	Uncertainty over Income Tax Treatments 所得稅處理的不確定性	January 1, 2019 二零一九年一月一日
IAS 19 (Amendments) (Note(a)) 國際會計準則第19號 (修訂版) (附註(a))	Plan Amendment, Curtailment or Settlement 計劃修訂、削減或結算	January 1, 2019 二零一九年一月一日
IFRS 16 (Note(b)) 國際財務報告準則第16號 (附註(b))	Leases 租賃	January 1, 2019 二零一九年一月一日
IFRS 10 and IAS 28 (Amendments) (Note(a)) 國際財務報告準則第10號及國際會計準則第28號 (修訂版) (附註(a))	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營公司之間的資產出售或注資	To be determined 待決定

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註 (續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards, amendments to existing standards and interpretations not yet adopted (Continued)

- (a) The Group has already commenced an assessment of the impact of these new or revised standards, and amendments, which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

- (b) IFRS 16 Leases

Nature of change

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact

The finance department of the Group has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of USD2,877,310, see Note 30(b). Of these commitments, approximately USD36,504 relate to short-term leases which will be recognised on a straight-line basis as expense in the consolidated statement of comprehensive income.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.2 尚未採納的新準則、現有準則的修訂及詮釋 (續)

- (a) 本集團已開始評估該等新訂或經修訂準則以及修訂版的影響，當中與本集團的業務有關。根據董事的初步評估，預期該等準則及修訂生效後，將不會對本集團的財務表現及狀況造成重大影響。

- (b) 國際財務報告準則第16號租賃

變更性質

國際財務報告準則第16號於二零一六年一月發佈，其將導致幾乎所有租約由承租人在合併資產負債表確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產（該租賃項目的使用權）與支付租金的金融負債被確認。唯一例外者為短期及低價值租賃。

影響

考慮到國際財務報告準則第16號中對租賃的新會計處理規則，本集團的財務部已對本集團上年度的所有租賃安排進行審閱。該準則將主要影響本集團經營租賃的會計處理。

於報告日期，本集團擁有不可撤銷經營租賃承擔2,877,310美元（見附註30(b)）。於該等承擔中，約36,504美元與短期租賃有關，而該金額將按直線法於合併全面收益表內確認為開支。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards, amendments to existing standards and interpretations not yet adopted (Continued)

(b) IFRS 16 Leases (Continued)

Impact (Continued)

The Group does not have any activities as a lessor.

The impact of adoption of IFRS 16 is still under assessment by the Group however it is not expected to have a significant effect on the financial statements of the Group.

Date of adoption by the Group

The Group will apply the standard from its mandatory adoption date of January 1, 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

2 主要會計政策概要（續）

2.1 編製基準（續）

2.1.2 尚未採納的新準則、現有準則的修訂及詮釋（續）

(b) 國際財務報告準則第16號租賃（續）

影響（續）

本集團並無任何作為出租人的業務。

採納國際財務報告準則第16號的影響仍由本集團評估中，但預期不會對本集團財務狀況產生重大影響。

本集團的採納日期

本集團將於強制採納日期二零一九年一月一日應用該準則。本集團擬應用簡化過渡方法，不會於首次採用之前重列本年度的比較數額。倘曾一直應用新規則，則物業租賃的使用權資產將於過渡時計量。所有其他使用權資產將於採納時按租賃負債的金額計量（就任何預付或應計租賃開支作出調整）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要（續）

2.2 Changes in accounting policies

2.2 會計政策變動

2.2.1 IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Group has adopted the new rules retrospectively and has restated comparatives for the 2017 financial year. In summary, there was no impact to the Group's consolidated statement of comprehensive income nor retained earnings, while the following adjustments were made to the amounts recognised in the consolidated balance sheet at the date of initial application (January 1, 2018):

2.2.1 國際財務報告準則第15號來自客戶合約的收入

本集團已自二零一八年一月一日起採納國際財務報告準則第15號來自客戶合約的收入，導致會計政策變動及在財務報表內確認的金額作調整。本集團已追溯採納新規則，並已就二零一七年財政年度重列比較數字。簡言之，該準則對本集團的合併全面收益表或保留盈利並無影響，惟於首次應用日期（即二零一八年一月一日）對在合併資產負債表內確認的金額作出以下調整：

			December 31, 2017 二零一七年 十二月三十一日 USD 美元 (IAS 18 carrying amount) 附註 (國際會計準則 第18號賬面值)	Reclassification 分類 USD 美元	January 1, 2018 二零一八年 一月一日 USD 美元 (IFRS 15 carrying amount) (國際財務報告準則 第15號賬面值)
Assets	資產				
Current assets	流動資產				
Contract costs	合約成本	a	–	899,724	899,724
Prepayments and other receivables	預付款及 其他應收款項	a	13,796,638	(899,724)	12,896,914
Liabilities	負債				
Current liabilities	流動負債				
Contract liabilities	合約負債	a	–	4,069,400	4,069,400
Deferred revenue	遞延收入	a	3,436,567	(3,436,567)	–
Receipt in advance	預收款項	a	740,726	(632,833)	107,893



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

2.2.1 IFRS 15 Revenue from Contracts with Customers (Continued)

- (a) Presentation of assets and liabilities related to contracts with customers

The Group has also voluntarily changed the presentation of certain amounts in the consolidated balance sheet to reflect the terminology of IFRS 15:

- Contract costs recognised in relation to contract acquisition costs were previously presented as part of prepayments and other receivables (USD899,724 as at January 1, 2018, net of impairment allowance).
- Contract liabilities in relation to game publishing service revenues were previously presented as part of deferred revenue and receipt in advance (USD3,491,201 as at January 1, 2018). Contract liabilities in relation to licensing revenues were previously presented as part of deferred revenue and receipt in advance (USD578,199 as at January 1, 2018).

2 主要會計政策概要（續）

2.2 會計政策變動（續）

2.2.1 國際財務報告準則第15號來自客戶合約的收入（續）

- (a) 呈列與客戶合約有關的資產及負債

本集團亦已主動改變資產負債表內若干金額的呈列方式，以反映國際財務報告準則第15號的專門用語：

- 就合約收購成本確認的合約成本，先前呈列為預付款項及其他應收款項的一部分（於二零一八年一月一日為899,724美元，經扣除減值撥備）。
- 有關遊戲發行服務收入的合約負債，先前呈列為遞延收入及預收款項的一部分（於二零一八年一月一日為3,491,201美元）。有關特許權收入的合約負債，先前呈列為遞延收入及預收款項的一部分（於二零一八年一月一日為578,199美元）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries

2.3.1 Consolidation

A subsidiary is an entity (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(a) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 主要會計政策概要（續）

2.3 附屬公司

2.3.1 合併入賬

附屬公司是指本集團擁有控制權的實體（包括結構性實體）。當本集團承受因其於實體的參與而產生的可變回報，或對該等回報享有權利，並有能力透過其對該實體的權力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移至本集團之日起合併入賬，並自控制權終止之日起取消合併入賬。

集團內公司間的交易、結餘及交易的未變現收益均予以對銷。未變現虧損亦予以對銷，除非該項交易提供已轉讓資產減值的證據則作別論。如有需要，附屬公司呈報的金額已作調整，以符合本集團的會計政策。

(a) *於附屬公司的擁有權權益變動而控制權不變*

與非控股權益的交易若不會導致喪失控制權，則入賬列為權益交易 – 即列為與附屬公司擁有人（以擁有人身份）的交易。任何已付代價的公平值與所得附屬公司淨資產賬面值的相關應佔部分之間的差額，均記錄為權益。向非控股權益出售產生的收益或虧損亦記錄為權益。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries (Continued)

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2 主要會計政策概要（續）

2.3 附屬公司（續）

2.3.2 獨立財務報表

於附屬公司的投資入賬列為成本減減值。成本亦包括直接應佔投資成本。附屬公司業績由本公司按已收及應收股息的基準入賬。

在以下情況，於附屬公司的投資須於從該等投資收取股息後進行減值測試：倘股息超過宣派該股息的期間該附屬公司的全面收益總額，或倘於獨立財務報表的投資賬面值超過於合併財務報表內的受投資公司的淨資產（包括商譽）賬面值。

2.4 聯營公司

聯營公司是指本集團擁有重大影響力但無控制權的實體，一般附帶涉及20%至50%表決權的股權。於聯營公司的投資採用權益會計法入賬。根據權益法，投資初步按成本確認，而賬面值將予以增加或減少以確認於收購日期後投資者應佔受投資公司的損益。本集團於聯營公司的投資包括於收購時識別的商譽。於收購一家聯營公司的擁有權權益時，聯營公司成本與本集團應佔聯營公司的可識別資產及負債的淨公平值之間的任何差額，入賬列為商譽。

倘於聯營公司的擁有權權益減少但保留重大影響力，僅先前於其他全面收益表內確認的金額的相稱比例重新分類至損益（如適用）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of comprehensive income.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2 主要會計政策概要（續）

2.4 聯營公司（續）

本集團應佔收購後的損益於合併全面收益表內確認，而其應佔收購後的其他全面收益變動則在其他全面收益內確認，並對該投資的賬面值作出相應調整。倘本集團應佔聯營公司的虧損等於或超過其於聯營公司的權益（包括任何其他無抵押應收款項），則本集團不會確認進一步虧損，除非其已代表該聯營公司產生法定或推定責任或作出付款則作別論。

本集團於各報告日期釐定是否有任何客觀證據證明於聯營公司的投資已減值。倘有，本集團會將減值金額計算為該聯營公司的可收回金額與其賬面值之間的差額，並於合併全面收益表內的「採用權益法入賬的應佔投資溢利」旁確認該金額。

本集團與其聯營公司之間的上游及下游交易產生的損益於本集團的財務報表內確認，惟以非關聯投資者於聯營公司的權益為限。未變現虧損予以對銷，除非該項交易提供所轉讓資產減值的證據則作別論。聯營公司的會計政策已按需要作出變動，以確保與本集團採納的政策一致。

於聯營公司的股權攤薄產生的收益或虧損於合併全面收益表內確認。

2.5 分部報告

經營分部按提供予主要經營決策人的內部報告一致的方式呈報。主要經營決策人負責經營分部的資源分配及表現評估，已被識別為作出策略決定的執行董事。





Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Consolidated financial statements are presented in USD, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated statement of comprehensive income within "finance income or costs". All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "other gains/(losses), net".

2 主要會計政策概要（續）

2.6 外幣換算

(a) 功能及呈報貨幣

本集團旗下各實體的合併財務報表內所載項目均採用該實體經營所在主要經濟環境的貨幣（「功能貨幣」）計量。合併財務報表以美元（即本公司的功能貨幣及本集團的呈報貨幣）呈列。

(b) 交易及結餘

外幣交易以交易或估值（倘項目重新計量）日期的現行匯率換算為功能貨幣。因結算該等交易及因按年末匯率換算以外幣計值的貨幣資產及負債而產生的匯兌收益及虧損，乃於全面收益表內確認。

與現金及現金等價物相關的匯兌收益及虧損於合併全面收益表內的「財務收入或成本」項內呈列。所有其他匯兌收益及虧損則於合併全面收益表內的「其他收益／（虧損）淨額」項內呈列。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet item presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income item are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

2 主要會計政策概要（續）

2.6 外幣換算（續）

(c) 集團公司

所有採用有別於呈報貨幣的功能貨幣的集團實體（當中概無擁有超通脹經濟體的貨幣），其業績及財務狀況均按下列方式換算為呈報貨幣：

- 就各資產負債表項目呈列的資產及負債，按該結算日的收市匯率換算；
- 就各全面收益表項目的收入及開支，按平均匯率換算（除非該平均值並非交易日期的行匯率累計影響的合理約值，在該情況下，收入及開支按交易日期的匯率換算）；及
- 所有由此產生的匯兌差額均在其他全面收益內確認。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Leasehold improvements	Shorter of estimated useful lives or remaining lease term
Office equipment	5 years
Computers	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses), net" in the consolidated statement of comprehensive income.

2 主要會計政策概要（續）

2.7 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值列賬。歷史成本包括與收購項目直接相關的支出。

其後的成本計入資產的賬面值內或確認為獨立資產（如適用），惟僅限於與該項目相關的未來經濟利益有可能流入本集團及該項目的成本能可靠地計量的情況。已替換零件的賬面值取消確認。所有其他維修保養於其產生的財務期間在全面收益表內扣除。

物業、廠房及設備以直線法計算折舊以於其估計可用年內分攤其成本如下：

租賃物業裝修	估計可用年期或餘下租期（以較短者為準）
辦公室設備	5年
電腦	3年

資產的剩餘價值及可用年期於各報告期末予以檢討，並在適當時作出調整。

倘資產的賬面值大於其估計可收回金額，則資產的賬面值即時撇減至其可收回金額（附註2.10）。

出售產生的收益及虧損乃將所得款項與賬面值比較而釐定，並於合併全面收益表內的「其他收益／（虧損）淨額」項內確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets

- (a) Licenses
Separately acquired licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives of 3 years to 5.5 years. Amortisation is expensed to cost of revenues or offset against the revenues.
- (b) Computer software
Acquired computer software stated at historical cost less amortisation. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and are amortised over their estimated useful lives of three years.
- (c) Research and development expenditures
Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are capitalised as intangible assets when recognition criteria are fulfilled. These criteria includes: (1) it is technically feasible to complete the game product so that it will be available for use; (2) management intends to complete the game product and use or sell it; (3) there is an ability to use or sell the game product; (4) it can be demonstrated how the game product will generate probable future economic benefits; (5) adequate technical, financial and other resources to complete the development and to use or sell the game product are available; and (6) the expenditure attributable to the game product during its development can be reliably measured. Other development expenditures that do not meet those criteria are recognised as expenses as incurred. During the year ended December 31, 2018 and 2017, there were no development costs meeting these criteria and capitalised as intangible assets.

2 主要會計政策概要（續）

2.8 無形資產

- (a) 許可權
單獨購買的許可權按歷史成本顯示。許可權有限的可用年期，並按成本減累計攤銷列賬。攤銷採用直線法計算以於許可權估計為3年至5.5年的可用年期內分攤其成本。攤銷在收入成本中支銷，或與收入對銷。
- (b) 電腦軟件
所購得的電腦軟件按歷史成本減攤銷列賬。所購得的電腦軟件許可權按購買及使其達致特定軟件用途所產生的成本予以資本化，並於其估計為三年的可用年期內攤銷。
- (c) 研發開支
研究開支於產生時確認為開支。開發項目（涉及新或改良產品設計及測試）產生的成本於達成確認條件時資本化為無形資產。該等條件包括：(1)完成該遊戲產品致使其可供使用在技術上可行；(2)管理層有意完成該遊戲產品並供使用或銷售；(3)有能力使用或銷售該遊戲產品；(4)能夠表明該遊戲產品將如何產生可能的未來經濟利益；(5)具備足夠的技術、財務及其他資源以完成開發及使用或銷售該遊戲產品；及(6)該遊戲產品於開發期間應佔的開支能可靠地計量。不符合上述該等條件的其他開發開支於產生時確認為開支。於截至二零一八年及二零一七年十二月三十一日止年度，並無開發成本符合該等條件並資本化為無形資產。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

- (c) Research and development expenditures (Continued)
Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their useful lives.

Research and development expenses consist primarily of (i) salary and benefits for the Group's research and development personnel, and (ii) the technology outsourcing payment to third-party companies.

During the year ended December 31, 2018, all research and development expenditures were recognised in the statement of comprehensive income as the recognition criteria for capitalisation have not been fulfilled (2017: same).

2.9 Prepaid royalty fees

The Group licenses online games from game developers and pays royalty fees to game developers as sharing of proceeds earned from selling in-game virtual tokens ("Game Tokens") and other virtual items (Note 2.20). Royalty fees are either paid in advance and deferred on the consolidated balance sheet as prepaid royalties or accrued according to the licensed period. These royalty fees are expensed to cost of revenues (where the Group is a principal) or offset against the revenues (where the Group is an agent).

At each balance sheet date, the Group evaluates the recoverability of prepaid royalty fees to determine amounts that it deems unlikely to be realised through revenues generated from the games. This evaluation considers multiple factors, including the term of the agreement, forecasted demand, game life cycle status, game development plans, and current and anticipated game revenue levels, as well as other qualitative factors such as the success of similar games. To the extent that this evaluation indicates that the remaining prepaid royalty payments are not recoverable, the Group records an impairment charge to administrative expenses in the period that impairment is indicated.

2 主要會計政策概要（續）

2.8 無形資產（續）

- (c) 研發開支（續）
先前已確認為開支的開發成本不會於後續期間確認為資產。已資本化的開發成本自該等資產可供使用之時起以直線法於其可用年內攤銷。

研發開支主要包括(i)本集團研發人員的薪金及福利；及(ii)支付予第三方公司的技術外包款項。

於截至二零一八年十二月三十一日止年度，所有研發開支均在全面收益表內確認為不符合資本化的確認條件（二零一七年：相同）。

2.9 預付版權費

本集團特許經營遊戲開發商的網絡遊戲，並向遊戲開發商支付版權費，作為分攤銷售遊戲內虛擬代幣（「遊戲代幣」）及其他虛擬物品所賺取的所得款項（附註2.20）。版權費乃預先支付及於合併資產負債表遞延作為預付版權費或根據特許期累計。該等版權費於收入成本支銷（倘本集團為主事人）或與收入抵銷（倘本集團為代理）。

於各結算日，本集團評估預付版權費的可收回性，以釐定不大可能透過有關遊戲產生的收入變現的金額。該評估考慮多個因素，包括協議年期、預測需求、遊戲生命週期狀態、遊戲開發計劃及現有和預期遊戲收入水平，以及類似遊戲的成功等其他質化因素。倘該評估顯示其餘預付版權付款不可收回，則本集團於顯示減值的期間在行政開支記錄減值開支。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Investment and other financial assets

2.11.1 Classification

On January 1, 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories, namely:

- those to be measured subsequently at fair value (either through profit or loss or other comprehensive income ("OCI"), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

2 主要會計政策概要（續）

2.10 非金融資產減值

具有無限可使用年期的無形資產或未可供使用的無形資產毋須計算攤銷，並每年測試減值。須予攤銷的資產每當發生事件或情況變化顯示賬面值可能無法收回時，進行減值檢討。減值虧損乃就資產的賬面值超出其可收回金額的金額確認。可收回金額是指資產的公平值減銷售成本與使用價值的較高者。為評估減值，資產乃按有獨立可識別的現金流量的最低層面（現金產生單位）分組。已減值的非金融資產（不包括商譽）於各報告日期檢討可能的減值撥回。

2.11 投資及其他金融資產

2.11.1 分類

於二零一八年一月一日（首次應用國際財務報告準則第9號的日期），本集團管理層已評估何種業務模式適用於本集團所持有的金融資產，並已將其金融工具分類為合適的國際財務報告準則第9號類別，即：

- 其後按公平值計量的金融工具（透過損益或其他全面收益）；及
- 按攤銷成本計量的金融工具。

分類乃視乎本集團管理金融資產的業務模式及現金流量的合約條款而定。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investment and other financial assets (Continued)

2.11.1 Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 主要會計政策概要（續）

2.11 投資及其他金融資產（續）

2.11.1 分類（續）

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收益內記錄入賬。就並無持作買賣的權益工具投資而言，將取決於本集團於初始確認時是否作出不可撤回的選擇，將股本投資透過其他全面收益按公平值入賬。

當及僅當本集團管理該等資產的業務模式出現變化時，才會將債券工具重新分類。

2.11.2 確認及取消確認

正常途徑買賣的金融資產於買賣日期（即本集團承諾購買或出售該資產的日期）確認。倘從金融資產收取現金流量的權利已屆滿或已轉移及本集團已將擁有權的絕大部分的風險和回報轉移時，則取消確認金融資產。

2.11.3 計量

於初步確認時，本集團按其公平值加上（倘金融資產並非按公平值計入損益）收購金融資產直接應佔的交易成本計量金融資產。按公平值計入損益的金融資產的交易成本於損益中支銷。

於確定有嵌入衍生工具的金融資產之現金流量是否僅指所支付的本金及利息時，會從金融資產之整體予以考慮。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investment and other financial assets (Continued)

2.11.3 Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group currently only classifies its debt instruments at amortised cost, as these assets are only held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets measured at FVPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 主要會計政策概要（續）

2.11 投資及其他金融資產（續）

2.11.3 計量（續）

債務工具

債務工具其後計量取決於本集團管理資產的業務模式及資產的現金流量特性。本集團目前僅按攤銷成本將其債務工具分類，因為該等資產僅為了收取合約現金流量而持有，而該等現金流量僅代表本金及利息的支付。來自該等金融資產的利息收入乃使用實際利率法計入財務收入。取消確認所產生的任何盈虧直接在損益中確認，並連同外匯收益及虧損在其他收益／（虧損）中呈列。減值虧損在全面收益表內列作獨立項目。

權益工具

本集團其後按公平值計量所有權益工具。倘本集團管理層已選擇於其他全面收益中呈列權益工具的公平值盈虧，則其後於取消確認投資後毋須將公平值盈虧重新分類為損益。當本集團收取有關股息付款的權利確立時，來自該等投資的股息繼續在損益中確認為其他收入。

按公平值計入損益的金融資產之公平值變動，在全面收益表的其他收益／（虧損）內確認（如適用）。按公平值計量且其變動計入其他全面收益的權益投資之減值虧損（及減值虧損撥回）不會與公平值的其他變動分開列報。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investment and other financial assets (Continued)

2.11.4 Impairment

From January 1, 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, that is to measure the loss allowance at the amount equal to lifetime expected credit loss at initial recognition and through its life of the asset. The Group use practical expedients when estimating life time expected credit losses on trade receivables, which is calculated using a provision matrix where a fixed provision rate applies depending on the shared credit risk characteristics of the trade receivables.

In assessing the shared credit risk characteristics of the trade receivables, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2.11.5 Accounting policies applied until December 31, 2017

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until December 31, 2017, the Group classified its financial assets in the following categories: loans and receivables. The classification depended on the purpose for which the financial assets were acquired. Management determined the classification of its financial assets at initial recognition. For the year ended December 31, 2017, the Group only had loans and receivables.

2 主要會計政策概要（續）

2.11 投資及其他金融資產（續）

2.11.4 減值

自二零一八年一月一日起，本集團按前瞻性基準評估與其以攤銷成本列賬的債務工具相關的預期信貸虧損。所應用的減值方法取決於信貸風險是否顯著增加。

就貿易應收款項而言，本集團採用國際財務報告準則第9號所允許的簡化方法，即在初始確認時及於其整個資產壽命期間，以相當於終身預期信貸虧損的金額計量虧損撥備。估計貿易應收款項的壽命預期信貸虧損時，本集團採用切合實際的權宜之策，乃使用撥備矩陣計算，其中根據貿易應收款項的分佔信貸風險特性而應用固定撥備率。

在評估貿易應收款項的分佔信貸風險特性時，本集團考慮合理及有理據而毋須付出不必要的成本或人力資源獲得的資料。此包括過往事件、當前狀況及未來經濟狀況預測等資料。

2.11.5 直至二零一七年十二月三十一日止應用的會計政策

本集團已追溯應用國際財務報告準則第9號，但選擇不重列比較資料。因此，所提供的比較資料繼續根據本集團之前的會計政策入賬。

直至二零一七年十二月三十一日，本集團將其金融資產分類為以下類別：貸款及應收款項。該分類取決於收購金融資產的目的。管理層於初始確認時釐定其金融資產的分類。截至二零一七年十二月三十一日止年度，本集團僅有貸款及應收款項。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Trade and other receivables

Trade receivables are amounts due from platforms or payment channels for proceeds earned from selling Game Tokens and other virtual items (please refer to Note 2.20). If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Cash and cash equivalents

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

2 主要會計政策概要（續）

2.12 對銷金融工具

倘有法定可執行權利對銷已確認金額，且有意按淨額基準結算或同步變現資產及結算負債，則金融資產及負債予以對銷，而該淨額乃於合併資產負債表內呈報。法定可執行權利不得取決於未來事件，且必須可於一般業務過程中以及於公司或交易對手方違約、無力償債或破產的情況下強制執行。

2.13 貿易及其他應收款項

貿易應收款項是指就銷售遊戲代幣及其他虛擬物品賺取的所得款項而應收平台或付款渠道的款項（請參閱附註2.20）。倘預期於一年或之內（或於一般業務營運週期內（倘較長））收回貿易及其他應收款項，該等款項歸類為流動資產。否則，呈列為非流動資產。

貿易及其他應收款項初步按公平值確認，其後則採用實際利率法按已攤銷成本減減值撥備計量。

2.14 現金及現金等價物

於合併現金流量表內，現金及現金等價物包括手頭現金及銀行活期存款，以及其他原訂期限為三個月或以下的短期高流動性投資。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Share capital and shares held for the Share Option Scheme

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

The consideration paid by Share Scheme Trust (see Note 16) for acquiring the Company's shares, including any directly attributable incremental cost, is presented as "Shares held for the Share Option Scheme" and the amount is deducted from total equity.

When Share Scheme Trust transfers the Company's shares to the awardees upon vesting, the related costs of the awarded shares vested are credited to "Shares held for the Share Option Scheme", with a corresponding adjustment made to "Share premium".

2.16 Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要（續）

2.15 股本及就購股權計劃持有的股份

普通股歸類為權益。與發行新普通股直接相關的遞增成本於權益內顯示為所得款項的扣減（扣除稅項）。

股份計劃信託（見附註16）就收購本公司股份所支付的代價（包括任何直接應佔遞增成本），乃呈列為「就購股權計劃持有的股份」，而該金額從權益總額扣除。

當股份計劃信託將歸屬後的本公司股份轉讓予承授人，已歸屬獎勵股份的相關成本乃計入「就購股權計劃持有的股份」，並對「股份溢價」作出相應調整。

2.16 貿易應付款項

貿易應付款項是指就於日常業務過程中向供應商購買的服務付款的責任。倘付款乃於一年或之內（或於一般業務營運週期內（倘較長））到期，貿易應付款項歸類為流動負債。否則，呈列為非流動負債。

貿易應付款項初步按公平值確認，其後則採用實際利率法按已攤銷成本計量。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2 主要會計政策概要（續）

2.17 即期及遞延所得稅

期內的稅項開支包括即期及遞延稅項。所得稅乃於合併全面收益表內確認，惟倘涉及於其他全面收益或直接於權益內確認的項目則除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

(a) 即期所得稅

即期所得稅支出按本公司的附屬公司經營及產生應課稅收入所在國家於結算日已頒佈或實質已頒佈的稅法計算。管理層定期就適用稅收法規可能受詮釋影響的情況評估於報稅表內採取的狀況。在適當情況下，管理層按預期須向稅收機關繳納的款項建立撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅乃採用負債法就資產及負債的稅基與其在合併財務報表內的賬面值之間產生的暫時差額而確認。然而，倘遞延稅項負債乃因初步確認商譽而產生，則不予確認；倘遞延所得稅乃因在一項交易（不包括業務合併）中初步確認資產或負債而產生，且於交易當時並不影響會計或應課稅損益，則不予入賬。遞延所得稅乃採用於結算日已頒佈或實質已頒佈及預期於相關遞延所得稅資產變現或遞延所得稅負債結清時適用的稅率（及稅法）而釐定。

遞延所得稅資產僅於可能有未來應課稅溢利可用以抵銷暫時差額時，方予確認。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and an associate, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

(a) Defined contribution plans

The Group's companies incorporated in the PRC contribute based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and other defined contribution social security plans organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable and other social security payables to all existing and future retired employees under these plans and the Group has no further obligation beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

2 主要會計政策概要（續）

2.17 即期及遞延所得稅（續）

(b) 遞延所得稅（續）

外部基準差異

遞延所得稅負債乃就於附屬公司及一家聯營公司的投資所產生的應課稅暫時差額而計提撥備，惟暫時差額的撥回時間由本集團控制以及暫時差額不可能於可見將來撥回的遞延所得稅負債除外。

遞延所得稅資產乃就於附屬公司的投資所產生的可扣稅暫時差額而確認，惟僅以可能於未來撥回暫時差額以及有足夠應課稅溢利用以抵銷暫時差額的情況為限。

(c) 對銷

倘有法定可執行權利可以即期稅項資產對銷即期稅項負債，以及倘遞延所得稅資產及負債涉及由同一稅收機關就該應課稅實體或不同的應課稅實體徵收的所得稅，且有意按淨額基準結算餘額，則遞延所得稅資產及負債予以對銷。

2.18 僱員福利

(a) 界定供款計劃

本集團於中國註冊成立的公司每月根據僱員薪金的若干百分比向中國相關政府機關籌辦的界定供款退休福利計劃及其他界定供款社會保障計劃作出供款。政府機關承諾承擔該等計劃下對全體現有及未來退休僱員的應付退休福利責任和其他社會保障的款項，除作出供款外，本集團並無其他責任。該等計劃的供款在產生時支銷。計劃的資產由政府機關持有及管理，並獨立於本集團的資產。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits (Continued)

- (b) Employee leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick and maternity leave are not recognised until the time of leave.

2.19 Share-based payments

The Group operates the Share Option Scheme (as defined in Note 16), which is an equity-settled share based compensation plan under which share awards are granted to employees as part of their remuneration package.

The fair value of the employee services received in exchange for the grant of the share-based awards is recognised as an expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, and credited to share premium under equity. The total amount to be expensed is determined by reference to the fair value of the share-based awards granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of share-based awards that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

2 主要會計政策概要（續）

2.18 僱員福利（續）

- (b) 僱員應享假期
僱員應享的年假乃於應計給僱員時確認。就截至結算日僱員已提供的服務產生的年假的估計負債，則計提撥備。

僱員應享病假及分娩假期直至放假時方予確認。

2.19 以股份為基礎付款

本集團運作購股權計劃（定義見附註16），此為權益結算以股份為基礎薪酬計劃，據此股份獎勵將授予僱員作為薪酬待遇的一部份。

就換取股份獎勵而收到的僱員服務的公平值於歸屬期內（即所有特定歸屬條件獲滿足的期間）確認為一項開支，並計入權益下的股份溢價。將予支出的總金額參考所授出股份獎勵的公平值釐定：

- 包括任何市場表現條件；
- 不包括任何服務及非市場表現歸屬條件的影響；及
- 包括任何非歸屬條件的影響。

於各報告期末，本集團根據非市場表現及服務條件修訂其有關預期將歸屬的股份獎勵數目的估計，並於合併全面收益表中確認修訂原有估計的影響（如有），同時對權益作出相應的調整。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Share-based payments (Continued)

If the terms of a share-based award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payments arrangement, or is otherwise beneficial to the employee and other qualifying participants, as measured at the date of modification.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the provision of services in the ordinary course of the Group's activities and is recorded net of value-added tax.

The Group recognises revenue in the accounting period in which the services are rendered. Depending the terms of the contract and the laws that apply to the contract, the services may be rendered over time or at a point in time.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. The services provided by the Group under each contract are integrated and treated as one performance obligation.

2 主要會計政策概要（續）

2.19 以股份為基礎付款（續）

倘股份獎勵的條款被修改，則會以最低限度確認開支，猶如該等條款並未經修訂。若任何修改使股份付款安排的總公平值增加，或在其他方面對僱員及其他合資格參與者有利，則於修訂日期計量並就任何上述修改確認額外開支。

2.20 收入確認

收入按已收或應收代價的公平值計量，並代表就本集團日常業務過程中提供服務應收的金額，並在扣除增值稅後入賬。

本集團於提供服務的會計期間內確認收入。視乎合約條款及適用於合約的法律，有關服務乃隨時間過去或於某地點提供。

倘合約涉及多重服務的銷售，交易價格將根據該等服務的相對獨立售價分配至各履約責任。本集團根據各合約提供的服務綜合計算並視作一項履約責任處理。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(a) Game publishing service revenue

The Group is a publisher of online games developed by third party game developers or its own. The Group licenses online games from game developers and earns game publishing service revenue by making a localised version of the licensed games and publishing them to the game players through distribution platforms, include major social networking websites (such as Facebook), online application stores (such as Apple Inc.'s App Store ("Apple App") and Google Play installed in mobile telecommunications devices), web-based and mobile game portals in certain countries and regions (collectively referred to as "Platforms"), including the Group's websites. The games licensed to the Group are operated under a free-to-play model whereby game players can play the games free of charge and are charged for the purchase of Game Tokens or other virtual items via payment channels, such as the various mobile carriers and third-party internet payment systems (collectively referred to as "payment channels").

(i) Principal Agent Consideration

Third party developed games

Proceeds earned from selling Game Tokens and other virtual items are shared between the Group and game developers, with the amount paid to game developers generally calculated based on face value of Game Tokens or other virtual items determined by game developers, after deducting certain deductible fees, multiplied by a predetermined percentage for each game. The deductible fees are predetermined and negotiated game by game, including the fees paid to the payment channels and the Platforms, as well as the credit allowable for deduction for each game.

2 主要會計政策概要（續）

2.20 收入確認（續）

(a) 遊戲發行服務收入

本集團為一家網絡遊戲發行商，發行由第三方遊戲開發商或自身開發的網絡遊戲。本集團特許經營遊戲開發商的網絡遊戲，並製作該等授權遊戲的本土化版本及透過發行渠道（包括主要社交網站（如 Facebook）、網上應用程式商店（如安裝在移動電信設備中的 Apple Inc. 的 App Store（「Apple App」）及 Google Play）、若干國家及地區的網頁及移動遊戲門戶網站（統稱為「平台」，包括本集團網站））發行予遊戲玩家，由此賺取遊戲發行服務收入。本集團獲授權的遊戲乃以免費任玩模式經營，據此，遊戲玩家可以免費任玩遊戲及在購買遊戲代幣或其他虛擬物品時透過付款渠道（如各種移動營運商及第三方互聯網支付系統（統稱為「付款渠道」））支付費用。

(i) 主要代理代價

第三方開發的遊戲

透過銷售遊戲代幣及其他虛擬物品賺取的所得款項由本集團與遊戲開發商分攤，而支付予遊戲開發商的金額一般根據遊戲開發商釐定的遊戲代幣或其他虛擬物品的面值計算，經扣除一定的可抵扣費用，再乘以為各個遊戲預先釐定的百分比。可抵扣費用為預先釐定並按遊戲逐一進行協商，包括支付予付款渠道及平台的費用以及就各個遊戲可扣除的抵免額。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(a) Game publishing service revenue (Continued)

(i) *Principal Agent Consideration* (Continued)

Third party developed games (Continued)

1) The Group acts as Agent

With respect to the Group's game licenses arrangements entered into during the year ended December 31, 2018 and 2017, the Group considered that the (i) game developers are responsible for providing the game product desired by the game players; (ii) the costs incurred by the game developers to develop the games are more than the licensing costs and game localisations costs incurred by the Group; (iii) game developers have the right to determine the pricing of in-game virtual items and the specification, modification or update of the game proposed by the Group. The Group's responsibilities are publishing, providing payment solution and market promotion service, and thus the Group views game developers to be its customers and considers itself as the agent of game developers in the arrangements with game players. Accordingly, the Group records the game publishing service revenue from these licensed games, net of amounts paid to game developers.

Games operated directly by the Group
Games operated directly by the Group are in the form of self-operation on its own websites and cooperation with Platforms, which the Group is responsible for determining Platforms and payment channels, hosting and maintenance of game servers for game running, providing customer service as well as marketing activities. For games self-operated by the Group, payment channels are responsible for payment collections related to the games. For games cooperated with Platforms, Platforms are responsible for distribution, platform maintenance, paying player authentication and payment collections related to the games.

2 主要會計政策概要（續）

2.20 收入確認（續）

(a) 遊戲發行服務收入（續）

(i) 主要代理代價（續）

第三方開發的遊戲（續）

1) 本集團擔當代理

就本集團於截至二零一八年及二零一七年十二月三十一日止年度訂立的遊戲授權安排而言，本集團認為，(i)遊戲開發商有責任提供遊戲玩家心儀的遊戲產品；(ii)遊戲開發商開發遊戲所產生的成本多於本集團產生的特許經營成本及遊戲本土化修改成本；(iii)遊戲開發商有權釐定遊戲內虛擬物品的定價以及本集團建議的遊戲規格、改動或更新。本集團的責任為發行、提供付款解決方案及市場推廣服務，因此，本集團視遊戲開發商為其客戶，而其本身則為遊戲開發商的代理，負責與遊戲玩家作出安排。因此，本集團來自該等授權遊戲的遊戲發行服務收入乃於扣除支付予遊戲開發商的金額後入賬。

本集團直接經營的遊戲
本集團直接經營的遊戲乃以於其本身網站自主經營及與平台合作的方式經營，本集團負責決定平台及付款渠道、託管及維護讓遊戲運行的遊戲伺服器、提供客戶服務，以及營銷活動。就本集團自主經營的遊戲而言，付款渠道負責收取遊戲相關款項。就與平台合作經營的遊戲而言，平台負責發行、平台維護、付費玩家身份驗證及收取遊戲相關款項。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(a) Game publishing service revenue (Continued)

(i) Principal Agent Consideration (Continued)

Third party developed games (Continued)

1) The Group acts as Agent (Continued)

Games operated directly by the Group (Continued)

As the Group is responsible for identifying, contracting with and maintaining the relationships of Platforms and payment channels, commission fees paid to Platforms and payment channels are included in cost of revenues and presented on a gross basis. The Group considers it is the primary obligor to game developers for the reasons identified above as it has been given latitude by game developers in selecting Platform and payment channels for its service to game developers.

Different from the above analysis, for games cooperated with Facebook if it had been specified by game developers and Apple App, the game developers are fully aware of Facebook and Apple App's roles and responsibilities. The Group considered that Facebook, Apple App and itself provide services to the game developers together, as the Group does not have the latitude in selecting and negotiation with Facebook and Apple App and does not have the primary responsibility to game developers for the service provided by them, commission charges by Facebook and Apple App are deducted from revenue.

2 主要會計政策概要（續）

2.20 收入確認（續）

(a) 遊戲發行服務收入（續）

(i) 主要代理代價（續）

第三方開發的遊戲（續）

1) 本集團擔當代理（續）

本集團直接經營的遊戲（續）

由於本集團負責識別、外包及維持平台和付款渠道關係，因此支付予平台及付款渠道的佣金費用計入收入成本內並以總額呈列。本集團認為，由於上文所識別的理，其本身乃遊戲開發商的主債務人，因為其一直獲遊戲開發商授予自由度可就提供予遊戲開發商的服務選擇平台及付款渠道。

與上述分析有所不同，對於與Facebook（若經已由遊戲開發商指定）和Apple App合作的遊戲而言，遊戲開發商充分知悉Facebook和Apple App的角色和責任。本集團認為，Facebook、Apple App及其本身共同為遊戲開發商提供服務，由於本集團在選擇及與Facebook和Apple App磋商方面並無自由度，且就由彼等提供的服務而言，本集團對遊戲開發商並無主要責任，故Facebook和Apple App收取的佣金乃於收入中扣除。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

- (a) Game publishing service revenue (Continued)
 - (i) *Principal Agent Consideration* (Continued)
 - Third party developed games (Continued)
 - 1) The Group acts as Agent (Continued)
 - Games subcontracted to Platforms
 - Certain games are subcontracted to Platforms to operate directly. For such subcontracted games, Platforms are responsible for determining secondary Platforms and payment channels, hosting and maintenance of game servers for game running, providing customer service as well as marketing activities. The Group's responsibilities are delivering games to Platforms, and thus the Group views the game developers to be its customers and considers itself as the agent of game developers in the arrangements with Platforms, as the Group does not have the primary responsibility to game developers for the service provided by these Platforms. Accordingly, the Group records revenue on a net basis, amounts paid to game developers and revenue-sharing amounts paid to Platforms or third party payment vendors are deducted from revenue.

2 主要會計政策概要（續）

2.20 收入確認（續）

- (a) 遊戲發行服務收入（續）
 - (i) 主要代理代價（續）
 - 第三方開發的遊戲（續）
 - 1) 本集團擔當代理（續）
 - 分包予平台的遊戲
 - 若干遊戲乃分包予平台由其直接經營。就該等分包遊戲而言，平台負責決定二級平台和付款渠道、託管及維護讓遊戲運行的遊戲伺服器、提供客戶服務，以及營銷活動。本集團的責任為交付遊戲予平台，因此，本集團視遊戲開發商為其客戶，而其本身則為遊戲開發商的代理，負責與平台作出安排，因為本集團就該等平台提供的服務對遊戲開發商並無主要責任。因此，本集團的收入按淨收入入賬，而支付予遊戲開發商的金額及支付予平台或第三方付款服務供應商的收入分攤金額，則從收入中扣除。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(a) Game publishing service revenue (Continued)

(i) Principal Agent Consideration (Continued)

Third party developed games (Continued)

2) The Group acts as Principal

During the year ended December 31, 2018 and 2017, there was a game license arrangement under which the Group takes primary responsibilities of further game development and updates, game operation, including determining Platforms and payment channels, providing customer services, hosting game servers, if needed, and controlling pricing and game and services specifications during the license period. The Group bears the cost incurred to further develop the game. Under this type of game license arrangement, the Group considered itself as a principal in this arrangement. Accordingly, the Group records the online game revenue from this third party licensed game on a gross basis. Commission fees paid to Platforms and payment channels and amortisation of license fees paid to third party game developer are recorded as cost of revenues.

2 主要會計政策概要（續）

2.20 收入確認（續）

(a) 遊戲發行服務收入（續）

(i) 主要代理代價（續）

第三方開發的遊戲（續）

2) 集團擔當主事人

於截至二零一八年及二零一七年十二月三十一日止年度，曾有一項遊戲授權安排，據此本集團承擔於許可期間推動遊戲進一步發展及更新、遊戲營運（包括釐定平台及付款渠道）、提供客戶服務、託管遊戲伺服器（如需要），以及控制定價和遊戲及服務規格的主要責任。本集團承擔進一步開支遊戲所產生的成本。根據此類遊戲授權安排，本集團視本身為該安排的主事人。故此，本集團以總額基準記錄來自該第三方授權遊戲的網絡遊戲收入。向平台及付款渠道支付的佣金費用及向第三方遊戲開發商支付的許可費攤銷，則記錄為收入成本。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(a) Game publishing service revenue (Continued)

(i) *Principal Agent Consideration* (Continued)

Third party developed games (Continued)

2) The Group acts as Principal (Continued)

Self-developed games

The Group sometimes enters into license arrangements under which the Group takes primary responsibilities of game development and game operation, including determining Platforms and payment channels, providing customer services, hosting game servers, if needed, and controlling pricing and game and services specifications. The Group bears the cost incurred to develop the games. Under this type of agreements, the Group considers itself the principal. Accordingly, the Group records the online game revenues from these games on a gross basis. Commission fees paid to Platforms and payment channels and amounts paid to licensor are recorded as cost of revenue.

The Group self-develops mobile games. Revenues derived from self-developed games are recorded on a gross basis as the Group acts as a principal to fulfil most obligations related to the mobile game operation. Commission fees paid to Platforms and payment channels are recorded as cost of revenue.

2 主要會計政策概要（續）

2.20 收入確認（續）

(a) 遊戲發行服務收入（續）

(i) 主要代理代價（續）

第三方開發的遊戲（續）

2) 集團擔當主事人（續）

自主開發的遊戲

本集團有時候會訂立授權安排，據此，本集團承擔遊戲開發及遊戲經營的主要責任，包括決定平台及付款渠道、提供客戶服務、託管遊戲伺服器（如需要），以及控制定價和遊戲及服務規格。本集團承擔開發遊戲產生的成本。根據這種安排，本集團認為其本身乃主事人。因此，本集團來自該等遊戲的網絡遊戲收入乃以總額入賬。支付予平台及付款渠道的佣金費用以及支付予授權人的款項，則入賬列為收入成本。

本集團自主開發手機遊戲。由於本集團擔任主事人以履行有關手機遊戲營運的大部分責任，因此自主開發遊戲產生的收入以總體基準入賬。支付予平台及付款渠道的佣金費用入賬列為收入成本。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(a) Game publishing service revenue (Continued)

(ii) Timing of revenue recognition

Third party developed games

1) The Group acts as Agent

Games operated directly by the Group

For the purposes of determining when services have been provided to the respective players, the Group has determined the following:

- Consumable virtual items represent items that are extinguished after consumption in the form of fixed charges levied on each round of games played. The paying players will not continue to benefit from the virtual items thereafter. Revenue is recognised at a point in time (as a release from contract liabilities) when the items are consumed and the related services are rendered.
- Durable virtual items represent items that are accessible and beneficial to paying players over an extended period of time. Revenue is recognised ratably over the average life of durable virtual items for the applicable game, which the Group makes best estimates to be average playing period of paying players ("Player Relationship Period").

2 主要會計政策概要（續）

2.20 收入確認（續）

(a) 遊戲發行服務收入（續）

(ii) 收入確認時間

第三方開發的遊戲

1) 本集團擔當代理

本集團直接經營的遊戲為確定向各個遊戲玩家提供服務的時間，本集團已釐定下列各項：

- 消耗類虛擬物品是指按每回已玩的遊戲收取固定費用的形式消耗後不再存在的物品。付費玩家此後將不會繼續得益於該等虛擬物品。收入乃於物品被耗用及提供相關服務時於某個時點確認（作為合約負債的解除）。
- 耐用類虛擬物品是指付費玩家可長時期取用及受惠的物品。收入於適用遊戲的耐用類虛擬物品的平均可用時期（其為本集團就付費玩家玩遊戲的平均遊戲期間所作的最佳估計（「玩家關係期」）內按比例確認。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

- (a) Game publishing service revenue (Continued)
 - (ii) *Timing of revenue recognition* (Continued)
 - Third party developed games (Continued)
 - 1) The Group acts as Agent (Continued)
 - Games operated directly by the Group (Continued)

The Group estimates the Player Relationship Period on a game-by-game basis and re-assesses such periods semi-annually. If there is insufficient data to determine the Player Relationship Period, such as in the case of a newly launched game, it estimates the Player Relationship Period based on other similar types of games developed by the Group or by third-party developers until the new game establishes its own patterns and history. The Group considers the games profile, target audience, and its appeal to players of different demographics groups in estimating the Player Relationship Period.

If the Group does not have the ability to differentiate revenue attributable to durable virtual items from consumable virtual items for a specific game, the Group recognises revenue from both durable and consumable virtual items for that game ratably over the Player Relationship Period.

2 主要會計政策概要（續）

2.20 收入確認（續）

- (a) 遊戲發行服務收入（續）
 - (ii) 收入確認時間（續）
 - 第三方開發的遊戲（續）
 - 1) 本集團擔當代理（續）
 - 本集團直接經營的遊戲（續）

本集團按個別遊戲逐一估計玩家關係期，並且每半年重估該等期限。倘並無足夠的數據來確定玩家關係期，例如新發佈的遊戲，則根據由本集團或第三方開發商開發的其他相類遊戲來估計玩家關係期，直至新遊戲建立其本身的模式和歷史。在估計玩家關係期時，本集團考慮遊戲概況、目標玩家，以及遊戲對於不同人口組別的玩家吸引力。

倘本集團無法就特定遊戲從消耗類虛擬物品中區分耐用類虛擬物品的應佔收入，則本集團會於玩家關係期內按比例確認該遊戲來自耐用及消耗類虛擬物品的收入。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(a) Game publishing service revenue (Continued)

(ii) Timing of revenue recognition (Continued)

Third party developed games (Continued)

1) The Group acts as Agent (Continued)

Games subcontracted to Platforms

Revenue of games subcontracted to Platforms are recognised ratably over the Player Relationship Period, for (i) the Group has a continuous obligation to game developers to coordinate Platforms for providing service to game players, and (ii) the Group does not have the ability to differentiate revenue from games subcontracted to Platforms attributable to durable virtual items from consumable virtual items for a specific game.

2) The Group acts as Principal

Revenue of third party developed games when the Group acts as a Principal are recognised ratably over the Player Relationship Period or as the durable virtual items are consumed, which is similar to the policy of third party developed games operated directly by the Group when the Group acts as an Agent mentioned above.

Self-developed games

Revenue of self-developed games are recognised ratably over the Player Relationship Period or as the durable virtual items are consumed, which is similar to the policy of third party developed games when the Group acts as a Principal mentioned above.

2 主要會計政策概要（續）

2.20 收入確認（續）

(a) 遊戲發行服務收入（續）

(ii) 收入確認時間（續）

第三方開發的遊戲（續）

1) 本集團擔當代理（續）

分包予平台的遊戲

分包予平台的遊戲的收入於玩家關係期內按比例予以確認，因為(i)本集團對遊戲開發商負有持續責任以協調為遊戲玩家提供服務的平台，及(ii)本集團無法就特定遊戲從消耗類虛擬物品中區分耐用類虛擬物品應佔分包予平台的遊戲的收入。

2) 本集團擔當主事人

本集團擔當主事人期間的第三方開發遊戲收入於玩家關係期內或於耐用類虛擬物品被耗用時按比例予以確認，這與上述由本集團擔當代理直接經營第三方開發遊戲的政策相似。

自主開發的遊戲

自主開發遊戲的收入於玩家關係期內或於耐用類虛擬物品被耗用時按比例予以確認，這與上述由本集團擔當主事人期間的第三方開發遊戲的政策相似。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(b) Licensing revenue

The Group authorises third parties to operate its online games. The Group receives additional up-front license fees from certain third-party licensee operators who are entitled to an exclusive right to operate the Group's games in specified geographic areas. The revenue from licensing agreements is recognised when the content has been delivered and the Group has no further obligations when the third-party licensee operators are customers of the Group. Depending on the terms of the respective agreements, revenue is recognised either at a point in time that upfront upon the beginning of the licensing agreement to the extent of the fixed and non-refundable amount received upfront or ratably over the license period under which the Group need to provide consistent services.

(c) Server rental revenue

Server rental revenue is derived principally from server rental arrangements. The Group enters into server rental arrangements with third parties to allow them to use the servers rented by the Group over a particular period of time. The Group recognises revenues ratably over the term of the lease.

(d) Advertising revenue

The Group provides advertising placement for a specified period on the interface of online games. The Group recognises revenue ratably over the period during which the advertising services are provided.

2 主要會計政策概要（續）

2.20 收入確認（續）

(b) 特許權收入

本集團授權第三方經營其網絡遊戲。本集團向有權獨家在特定地區內經營本集團遊戲的若干第三方特許營運商收取額外預付許可費用。當第三方特許營運商為本集團客戶時，來自特許權協議的收入於有關內容交付而本集團並無進一步責任時確認。視乎相關協議的條款，收入於特許權協議開始時按於某個時點預收的固定及不可退回金額確認，或於本集團需要提供穩定服務的特許權期間內按比例確認。

(c) 伺服器租賃收入

伺服器租賃收入主要來自伺服器租用安排。本集團與第三方訂立伺服器租用安排，以便彼等於特定期限內使用本集團出租的伺服器。本集團於租賃期內按比例確認該項收入。

(d) 廣告收入

本集團於指定期間在網絡遊戲界面上提供廣告投放。本集團於提供廣告服務期間按比例確認該項收入。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(e) Contract liabilities and contract costs

For game publishing service revenues, contract liabilities primarily consist of royalty fees received in advance from customers, and the unamortised revenue from sales of Game Tokens and virtual items for web-based games and mobile games, where there is still an implied obligation to be provided by the Group and will be recognised as revenue when all of the revenue recognition criteria are met. For licensing revenue, contract liabilities represent the unamortised balance of the initial license fee paid by licensees where there is still an implied obligation to be provided by the Group and will be recognised as revenue when all of the revenue recognition criteria are met.

Contract costs are mainly related to contract acquisition costs, which primarily consist of unamortised commission costs charged by distribution platforms. The Group recognises contract costs in relation to commission charged by distribution platforms, which meet contract acquisition cost criteria as an incremental cost of acquiring a customer contract. They are capitalised as contract acquisition costs and amortised over their respective Player Relationship Periods, which is consistent with the pattern of recognition of the associated revenue.

2.21 Interest income

Interest income mainly represents interest income from bank deposits and is recognised using effective interest method.

2.22 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 30). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2 主要會計政策概要（續）

2.20 收入確認（續）

(e) 合約負債及合約成本

就遊戲發行服務收入而言，合約負債主要包括從客戶預收的版權費，以及銷售用於網頁遊戲及手機遊戲的遊戲代幣和虛擬物品所得的未攤銷收入，當中本集團仍有隱含的責任須予提供，將於所有收入確認條件達致時確認為收入。至於特許權收入而言，合約負債指已由獲授權商支付的初步許可費用的未攤銷結餘，當中本集團仍有隱含的責任須予提供，將於所有收入確認條件達致時確認為收入。

合約成本主要與合約收購成本有關，而後者主要包括分銷平台所收取的未攤銷佣金。本集團就分銷平台收取的佣金確認合約成本，而該等成本作為購入客戶合約的增量成本符合合約收購成本的條件。該等成本資本化成為合約收購成本並於各自的玩家關係期內攤銷，符合相關收入的確認模式。

2.21 利息收入

利息收入主要指銀行存款的利息收入，並採用實際利率法確認。

2.22 經營租賃

所有權的重大部分風險和回報並無轉移至本集團（作為承租人）的租賃，歸類為經營租賃（附註30）。根據經營租賃作出的付款（扣除任何收取自出租人的激勵）以直線法於租賃期內於損益中扣除。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the potential adverse effects on the financial performance of the Group.

Risk management is carried out by the senior management of the Group and approved by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB") and Hong Kong dollar ("HKD"). Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities and net investment in foreign operations. The finance department of the Group is responsible for monitoring and managing the net position in each foreign currency. The Group currently does not hedge transactions undertaken in foreign currencies but manages its exposure through constant monitoring to limit as much as possible the amount of its foreign currencies exposures.

2 主要會計政策概要（續）

2.23 股息分派

分派予本公司股東的股息乃於股息獲本公司股東或董事（視乎適用情況而定）批准的期間在本集團及本公司的財務報表內確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團的活動涉及多種財務風險：市場風險（包括貨幣風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理策略尋求盡量減低對本集團財務表現產生的潛在不利影響。

風險管理由本集團高級管理層執行並由董事會批准。

(a) 市場風險

(i) 外匯風險

本集團在國際市場經營業務，須承受因各種貨幣風險引致的外匯風險，主要涉及人民幣（「人民幣」）及港元（「港元」）。外匯風險乃因未來商務交易、已確認資產及負債以及於海外業務的淨投資而產生。本集團的財務部負責監察及管理每種外幣的淨額狀況。本集團目前並無對外幣進行對沖交易，但透過不斷監察以盡可能限制其外幣風險金額，從而管理其所承受的風險。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The Group has certain investments in foreign operations particularly in the PRC and Hong Kong, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations considered not material therefore no separated sensitive analysis is included.

For the year ended December 31, 2018, if USD had weakened/strengthened by 5% against RMB with all other variables held constant, post-tax profit for the year would have been approximately USD37,000 (2017: USD28,000) higher/lower, respectively, mainly as a result of foreign exchange gains/losses on translation of RMB-denominated receivables and payables.

The cash and cash equivalents, receivables and payables of the Group's Hong Kong entities are denominated in HKD, which is pegged against USD, and are not therefore subject to significant foreign currency risk.

(ii) Interest rate risk

Other than interest-bearing bank deposits, the Group has no other significant interest-bearing assets. The directors of the Company do not anticipate there is any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

3 財務風險管理（續）

3.1 財務風險因素（續）

(a) 市場風險（續）

(i) 外匯風險（續）

本集團有若干於海外業務的投資，特別是於中國及香港，該等業務的淨資產涉及外幣換算風險。本集團的海外業務淨資產所產生的貨幣風險被視為不重大，因此並無載入獨立敏感度分析。

截至二零一八年十二月三十一日止年度，倘美元兌人民幣貶值／升值5%而所有其他變數維持不變，則年內除稅後溢利應分別增加／減少約37,000美元（二零一七年：28,000美元），主要是由於換算人民幣計值的應收款項及應付款項產生的匯兌收益／虧損。

本集團的香港實體的現金及現金等價物、應收款項及應付款項以港元計值，而港元與美元掛鈎，因此並無承受重大外幣風險。

(ii) 利率風險

除計息銀行存款外，本集團並無其他重大計息資產。本公司董事預期利率變動將不會對計息資產造成任何重大影響，因為銀行結餘的利率預期不會有重大變動。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as at FVOCI (Note 8). The investments are made either for strategic purpose or for the purpose of achieving investment yield. Each investment is managed by senior management on a case by case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of financial assets at FVOCI. If equity prices of the respective instruments held by the Group had been 5% higher/lower as at December 31, 2018, the other comprehensive income would have been approximately USD134,000 higher/lower. As at December 31, 2017, the Group had no financial assets at FVOCI.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and bank deposits, trade and other receivables.

(i) Risk management

The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. To manage this risk arising from cash and bank deposits, the Group only transacts with reputable commercial banks which are all high-credit-quality financial institutions in the PRC and Hong Kong. There has been no recent history of default in relation to these financial institutions.

Individual balances of trade receivables exceeding 10% of the Group's total trade receivables as at December 31, 2018 accounted for approximately 54% (2017: 55%) of the Group's total trade receivables.

3 財務風險管理（續）

3.1 財務風險因素（續）

(a) 市場風險（續）

(iii) 價格風險

本集團面對因本集團所持有並在資產負債表內分類為按公平值計量且其變動計入其他全面收益的投資而產生的股本證券價格風險（附註8）。該等投資是就策略目的或達致投資收益而作出。每項投資均由高級管理層按個別情況管理。

管理層進行敏感度分析，以評估本集團財務業績所面對的按公平值計量且其變動計入其他全面收益的金融資產的股本價格風險。倘本集團所持有個別工具的股本價格於二零一八年十二月三十一日升／跌5%，則其他全面收益應會升／跌約134,000港元。於二零一七年十二月三十一日，本集團並無持有按公平值計量且其變動計入其他全面收益的金融資產。

(b) 信貸風險

本集團涉及與其現金及銀行存款、貿易及其他應收款項有關的信貸風險。

(i) 風險管理

以上各類金融資產的賬面值即本集團面臨與金融資產有關的最大信貸風險。為管理由現金及銀行存款引致的風險，本集團僅與均為中國及香港高信貸質量金融機構並具良好信譽的商業銀行交易。該等金融機構概無近期拖欠還款的記錄。

於二零一八年十二月三十一日，個別貿易應收款項餘額超過本集團貿易應收款項總額的10%，佔本集團貿易應收款項總額約54%（二零一七年：55%）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

Trade receivables and certain other receivables at the end of each reporting period were due from the Platforms and payment channels in cooperation with the Group. If the strategic relationship with the Platforms and payment channels is terminated or scaled-back; or if the Platforms and payment channels alter the co-operative arrangements; or if they experience financial difficulties in paying the Group, the Group's game development receivables might be adversely affected in terms of recoverability. To manage this risk, the Group maintains frequent communications with the Platforms and payment channels to ensure the effective credit control. In view of the history of cooperation with the Platforms and payment channels and the sound collection history of receivables due from them, the directors of the Company believe that the credit risk inherent in the Group's outstanding trade receivable balances due from the Platforms and payment channels is low.

For other receivables not due from payment channels, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

3 財務風險管理（續）

3.1 財務風險因素（續）

(b) 信貸風險（續）

(i) 風險管理（續）

於各報告期末的貿易應收款項及若干其他應收款項乃應收與本集團合作的平台及付款渠道的款項。倘與平台及付款渠道的策略性關係終止或規模縮減；或倘平台及付款渠道更改合作安排；或倘彼等在向本集團還款方面遇到財務困難，本集團的遊戲開發應收款項的可收回性可能受到不利影響。為管理此風險，本集團與平台及付款渠道保持緊密聯繫，確保有效的信貸控制。鑑於與平台及付款渠道的過往合作及向彼等收取應收款項的過往收款記錄良好，本公司董事相信本集團應收平台及付款渠道的未償還貿易應收款項結餘的固有信貸風險為低。

就其他並非由付款渠道結欠的應收款項而言，管理層根據過往結算記錄及過往經驗，對其他應收款項的可收回性作出定期的集體評估以及個別評估。本公司董事相信，本集團其他應收款項的未償還結餘並無固有的重大信貸風險。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has one type of financial asset that is subject to the expected credit loss model:

- trade receivables for royalty fee, license fee, server rental, advertising, etc.

While cash and bank deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, which is calculated using a provision matrix where a fixed provision rate applies depending on the shared credit risk characteristics of the trade receivables.

In assessing the shared credit risk characteristics of the trade receivables, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

3 財務風險管理（續）

3.1 財務風險因素（續）

(b) 信貸風險（續）

(ii) 金融資產減值

本集團有一類受限於預期信貸虧損模式的金融資產：

- 有關版權費、特許權費、伺服器租金及廣告等的貿易應收款項。

雖然現金及銀行存款亦受國際財務報告準則第9號的減值規定所規限，所識別的減值虧損並不重大。

貿易應收款項

本集團採用國際財務報告準則第9號的簡化方法計量預期信貸虧損，其中就所有貿易應收款項使用全期預期虧損撥備，並使用撥備矩陣計算，其中根據貿易應收款項的共有信貸風險特性而應用固定撥備率。

在評估貿易應收款項的共有信貸風險特性時，本集團考慮合理及有理據而毋須付出不必要的成本或人力資源獲得的資料。此包括過往事件、當前狀況及未來經濟狀況預測等資料。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowance as at December 31, 2018 (on adoption of IFRS 9) was determined as follows for trade receivables:

December 31, 2018 二零一八年十二月三十一日		Category 1* 第一類*	Category 2* 第二類*	Category 3* 第三類*	Category 4* 第四類*	Total 總計
Expected loss rate 預期虧損率		5%	30%	50%	100%	
Loss allowance 虧損撥備		146,833	405,270	13,072	1,070,401	1,635,576

* The Group's loss allowance categories of trade receivables are as follows:

Category 1 – Highest grade, lowest credit risk

Category 2 – Medium grade, low credit risk

Category 3 – Poor standing, high credit risk

Category 4 – High likelihood of default, very high credit risk

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This resulted in no change of the loss allowance on January 1, 2018 for trade receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

貿易應收款項(續)

按此基準，於二零一八年十二月三十一日(於採納國際財務報告準則第9號時)就貿易應收款項釐定以下的虧損撥備：

* 本集團貿易應收款項的虧損撥備類別如下：

第一類 – 最高級別，最低信貸風險

第二類 – 中間級別，低信貸風險

第三類 – 低級別，高信貸風險

第四類 – 高違約可能性，非常高的信貸風險

本集團應用國際財務報告準則第9號的簡化方法，以計量預期信貸虧損，其中就所有貿易應收款項使用全期預期虧損撥備。此方法並無導致貿易應收款項於二零一八年一月一日的虧損撥備出現變動。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The closing loss allowances for trade receivables as at December 31, 2018 reconcile to the opening loss allowances as follows:

		Trade receivables 貿易應收款項	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Opening loss allowance as at January 1 – calculated under IAS 39	於一月一日的年初虧損撥備 – 根據國際會計準則第39號計算	1,698,689	1,358,953
Amounts restated through opening retained earnings	透過年初保留盈利重列的金額	-	-
Opening loss allowance as at January 1 – calculated under IFRS 9	於一月一日的年初虧損撥備 – 根據國際財務報告準則第9號計算	1,698,689	1,358,953
Receivables written off during the year as uncollectible	年內因不可收回而撇銷的應收款項	(30,000)	-
(Reversal of)/provision for trade receivables	貿易應收款項（撥備撥回）／撥備	(33,113)	339,736
Closing loss allowance as at December 31 – calculated under IFRS 9	於十二月三十一日的年末虧損撥備 – 根據國際財務報告準則第9號計算	1,635,576	1,698,689

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

貿易應收款項的減值虧損乃於經營溢利內列作減值虧損淨額。先前撇銷而其後收回的金額與相同項目對銷。

3 財務風險管理（續）

3.1 財務風險因素（續）

(b) 信貸風險（續）

(ii) 金融資產減值（續）

貿易應收款項（續）

於二零一八年十二月三十一日貿易應收款項的年末虧損撥備與年初虧損撥備對賬如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註 (續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Previous accounting policy for impairment of trade receivables

In the prior year, the Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Evidence of impairment included indications that the debtors or a group of debtors was experiencing significant financial difficulty, default or late payments (more than 30 to 120 days overdue), the probability that they would enter bankruptcy or other financial reorganisation, and where observable data indicated that there was a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlated with defaults.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產減值 (續)

貿易應收款項減值的先前會計政策

於過往年度，本集團於各報告期末評估是否有客觀證據顯示某項金融資產或一組金融資產出現減值。倘於資產初始確認後發生一項或以上事件而導致出現客觀減值證據（「虧損事件」），而該虧損事件（或多項事件）對能可造估算的金融資產或一組金融資產的估計未來現金流量有所影響，該金融資產或一組金融資產才有所減值並出現減值虧損。

減值證據包括債務人或一組債務人有嚴重財政困難的跡象、違約或延遲付款（逾期超過30日至120日）、可能會進入破產程序或進行其他財務重組，並有客觀證據顯示估計未來現金流量有可計量的減少，例如拖欠款項的變動或與違約相關的經濟狀況變動。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理（續）

3.1 財務風險因素（續）

(c) 流動資金風險

本集團旨在保持足夠的現金及現金等價物。由於相關業務的動態性質，本集團的財務部透過保持足夠的現金及現金等價物，以維持資金靈活性。

下表按於結算日至合約到期日的剩餘期間分析本集團按相關到期組別劃分的非衍生金融負債。表內披露的金額為合約未貼現現金流量。

		Less than 1 year 少於1年 USD 美元	Between 1 year and 2 years 1年至2年 USD 美元	Between 2 year and 5 years 2年至5年 USD 美元	Total 總計 USD 美元
At December 31, 2018	於二零一八年 十二月三十一日				
Trade and other payables and accruals (excluding salary and staff welfare payables and taxes payable)	貿易及其他應付款項和應計費用（不包括應付薪金及員工福利及應繳稅項）	3,837,631	350,284	459,022	4,646,937
At December 31, 2017	於二零一七年 十二月三十一日				
Trade and other payables and accruals (excluding salary and staff welfare payables and taxes payable)	貿易及其他應付款項和應計費用（不包括應付薪金及員工福利及應繳稅項）	6,938,350	505,532	325,415	7,769,297

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital (including share capital and capital reserves) by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. In the opinion of the directors of the Company, the Group's capital risk is low.

3.3 Fair value estimation

The Group's financial instruments are carried at fair value as at balance sheet dates, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理（續）

3.2 資本管理

本集團管理資本的目標是保障本集團繼續持續經營的能力，從而為股東提供回報及為其他利益相關者提供利益，以及維持最佳的資本結構以減低資本成本。

本集團透過定期檢討資本結構以監察資本（包括股本及資本儲備）。作為是項檢討的一部分，本公司董事考慮資本成本。為維持或調整資本結構，本集團或會調整向股東派付的股息金額、向股東退還資本、發行新股份或出售資產以減低債務。本公司董事認為，本集團的資本風險低。

3.3 公平值估算

本集團的金融工具乃根據用以計量公平值的估值法的輸入值等級按結算日的公平值列賬。該等輸入值於公平值等級制內分類為三個等級如下：

- 相同資產或負債於活躍市場的報價（未經調整）（第一級）。
- 該資產或負債的可觀察輸入值（不包括第一級所包括的報價），不論直接（即價格）或間接（即源自價格）（第二級）。
- 就該資產或負債而非基於可觀察的市場數據的輸入值（即不可觀察輸入值）（第三級）。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

No asset instruments carried in level 2 or level 3 for the year ended December 31, 2018 and no asset instruments carried in level 1 to level 3 for the year ended December 31, 2017. The following table presents the Group's financial instruments that are measured at fair value using level 1 inputs:

		As at December 31, 2018 於二零一八年十二月三十一日
		USD 美元
Financial assets	金融資產	
– Financial assets at FVOCI (Note 8)	– 按公平值計量且其變動計入其他全面收益的金融資產（附註8）	2,670,518

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

3 財務風險管理（續）

3.3 公平值估算（續）

截至二零一八年十二月三十一日止年度，並無在第二級或第三級結轉資產工具，而截至二零一七年十二月三十一日止年度，並無資產工具從第一級結轉至第三級。下表列示本集團使用第一級輸入值按公平值計量的金融工具：

於活躍市場買賣的金融工具的公平值乃按於結算日的市場報價計算。倘報價隨時及定期可從交易所、交易商、經紀行、行業團體、定價服務，或監管機關取得，而該等價格代表按公平原則實際及定期發生的市場交易，則市場被視為活躍。就本集團所持有的金融資產採用的市場報價乃指當前買入價。該等工具計入第一級內。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2.

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

Specific valuation techniques used to value financial instruments include:

- Dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for financial instruments.

3 財務風險管理（續）

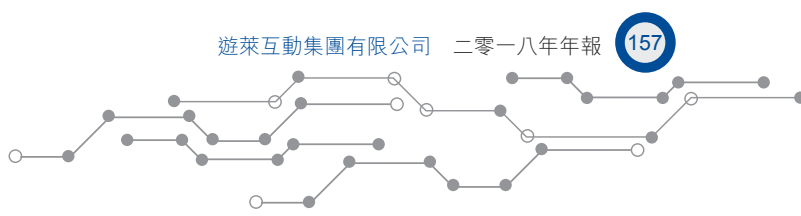
3.3 公平值估算（續）

並非於活躍市場買賣的金融工具的公平值乃採用估值法釐定。該等估值法盡量使用可觀察的市場數據（如有）及盡可能不依賴實體特定估計。倘評估金融工具公平值所需的所有重大輸入值均可觀察，該工具則計入第二級內。

倘一項或以上的重大輸入值並非基於可觀察的市場數據，該工具計入第三級內。

用於評估金融工具價值的具體估值法包括：

- 交易商就同類工具的報價；
- 利率掉期的公平值乃根據可觀察孳息曲線，計算為估計未來現金流量的現值；及
- 其他方法，如貼現現金流量分析，乃用於釐定金融工具的公平值。





Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimates of the Player Relationship Period in the Group's game development

As described in Note 2.20, the Group recognises revenue from durable virtual items ratably over the Player Relationship Period. The determination of Player Relationship Period in each game is based on the Group's best estimate that takes into account all known and relevant information at the time of assessment. Such estimates are subject to re-evaluation on a semi-annual basis. Any adjustments arising from changes in the Player Relationship Period as a result of new information will be accounted for prospectively as a change in accounting estimate.

4 關鍵會計估計及判斷

估計及判斷會持續予以評估，並以過往經驗及其他因素（包括在某些情況下對未來事件的合理預期）為依據。

4.1 關鍵會計估計及假設

本集團就未來作出估計及假設。根據定義，由此產生的會計估計極少與相關的實際結果相符。很可能引致須於下一個財政年度內對資產及負債的賬面值進行重大調整的估計及假設討論如下。

(a) 對本集團遊戲開發過程中玩家關係期的估計

如附註2.20所述，本集團於玩家關係期按比例確認耐用類虛擬物品的收入。每個遊戲的玩家關係期乃根據本集團的最佳估計釐定，當中計及於評估時所有已知及相關資料。該等估計每半年重新評估一次。因新資料導致玩家關係期變動所引起的任何調整將作為預期的會計估計變動入賬。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註 (續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

- (b) Provision for impairment of trade receivables
Impairment of trade receivables is made based on an assessment of expected credit loss of trade receivables. The identification of expected credit loss requires management's judgement and estimates. Provision is made based on the Group's expected credit loss model. Where the actual outcome or further expectation is different from the original estimate, such differences will impact the carrying value of the receivables, and the amount of doubtful debt expenses or write-back of provision for trade receivable in the period in which such estimate has been changed. Based on the Group's assessment on the expected credit loss of trade receivables, impairment provision of USD1,635,576 was made as at December 31, 2018 (2017: USD1,698,689).
- (c) Current and deferred income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.
- (d) Recognition of share-based payments
As mentioned in Note 18, the Group has granted share options to its directors and employees. The Company has used the Binomial option-pricing model to determine the total fair value of the options granted, which is to be expensed over the vesting period. Significant estimate on assumptions, such as risk-free interest rate, expected volatility and dividend yield, is required to be made by the Company in applying the Binomial option-pricing model.

4 關鍵會計估計及判斷 (續)

4.1 關鍵會計估計及假設 (續)

- (b) 貿易應收款項減值撥備
貿易應收款項的減值乃基於對貿易應收款項預期信貸虧損的評估。識別預期信貸虧損需要管理層的判斷及估計。撥備乃根據本集團的預期信貸虧損模式作出。倘實際結果或未來預期與原來的估計有差異，該等差異將影響於該估計變動期間應收款項的賬面值，以及貿易應收款項呆賬支出或撥備撥回的金額。根據本集團對貿易應收款項預期信貸虧損的評估，於二零一八年十二月三十一日，本集團作出的減值撥備為1,635,576美元（二零一七年：1,698,689美元）。
- (c) 即期及遞延所得稅
本集團須在多個司法權區繳納所得稅。於釐定全球所得稅的撥備時須作出重大判斷。多項交易及計算導致未能確定最終所定稅項。本集團根據對會否需要繳納額外稅項的估計，確認對預期稅務審核事宜的負債。倘若該等事宜的最終稅務結果與初步入賬金額有所不同，有關差額將影響作出有關決定期間的即期及遞延稅項資產及負債。
- (d) 以股份為基礎薪酬開支
按附註18所述，本集團已向董事及僱員授出購股權。本公司已使用二項式期權定價模型來釐定所授出購股權的公平值總額，並將於歸屬期內支銷。董事在應用二項式期權定價模型時，須要對無風險利率、預期波幅及收益率等假設作出重大估算。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5 REVENUE AND SEGMENT INFORMATION

5 收入及分部資料

(a) Disaggregation of revenue from contracts with customers

(a) 來向客戶合約的收入之分拆

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Online game revenue	網絡遊戲收入	21,453,881	28,265,058
Licensing revenue	特許權收入	2,693,224	300,398
Server rental revenue	伺服器租賃收入	4,860	39,540
Advertising revenue	廣告收入	9,384	15,613
		24,161,349	28,620,609
Online game revenue	網絡遊戲收入		
Mobile games	網頁遊戲	11,253,850	17,740,603
Web-based games	手機遊戲	10,200,031	10,524,455
		21,453,881	28,265,058

Timing of revenue recognition, by category:

按類別劃分之收入確認時間性：

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
At a point in time	於某時點	2,600,000	–
Over time	隨時間過去	21,561,349	28,620,609
		24,161,349	28,620,609

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註 (續)

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

For management purpose, the executive directors of the Company consider that the Group generates revenue primarily from the provision of game services. The executive directors of the Company review the operating results of the business as one segment to make strategic decisions about resources to be allocated. Therefore, the executive directors of the Company consider that there is only one segment of the Group.

The Group has a large number of game players, no individual game players generate revenue which exceeded 10% or more of the Group's revenue for the year ended December 31, 2018 (2017: same).

The revenue generated from top five largest revenue collection platforms, accounted for 60% (2017: 62%) of the Group's revenue for the year ended December 31, 2018.

深圳市前海幻境網絡科技有限公司(Shenzhen Qianhai Huanjing Network Technology Co., Ltd.), which is a fellow subsidiary of 7Road International Group Limited, a company that holds a 15.5% shareholding equity interest of the Company. 7Road International Group Limited and its fellow subsidiaries (collectively, "7Road") were the Group's game licensor. The revenue generated from the games licensed by 7Road, accounted for 16% (2017: 21%) of the Group's revenue for the year ended December 31, 2018.

深圳海拓時代科技有限公司(Shenzhen Haituo Shidai Network Technology Co., Ltd., "Shenzhen Haituo") were the Group's game licensor. The revenue generated from the games licensed by Shenzhen Haituo accounted for 18% (2017:6%) of the Group's revenue for the year ended December 31, 2018.

Revenue from games licensed by a single company or group which exceeded 10% totally accounted for 34% (2017:21%) of the Group's revenue for the year ended December, 2018.

Besides that, no revenue from games licensed by a single company or group exceeded 10% or more of the Group's revenue for the year ended December 31, 2018 (2017: same).

5 收入及分部資料 (續)

(a) 來向客戶合約的收入之分拆 (續)

就管理目的而言，本公司執行董事認為本集團主要通過提供遊戲服務產生收入。本公司執行董事將業務作為一個分部而審閱經營業績，以作出有關資源分配的策略性決定。因此，本公司執行董事認為本集團僅有一個分部。

本集團擁有數目龐大的遊戲玩家，概無個別遊戲玩家產生的收入超過本集團於截至二零一八年十二月三十一日止年收入的10%或以上(二零一七年：相同)。

來自五大收入收款平台的收入佔本集團截至二零一八年十二月三十一日止年度的收入的60%(二零一七年：62%)。

深圳市前海幻境網絡科技有限公司為7Road International Group Limited(持有本公司15.5%股本權益的公司)的同系附屬公司。7Road International Group Limited及其同系附屬公司(統稱為「第七大道」)為本集團的遊戲授權人。來自第七大道所授權遊戲的收入佔本集團截至二零一八年十二月三十一日止年度的收入的16%(二零一七年：21%)。

深圳海拓時代科技有限公司(「深圳海拓」)為本集團的遊戲授權人。來自深圳海拓所授權遊戲的收入佔本集團截至二零一八年十二月三十一日止年度的收入的18%(二零一七年：6%)。

來自單一公司或集團所授權遊戲而佔本集團收入超過10%的收入，合共佔本集團截至二零一八年十二月三十一日止年度的收入的34%(二零一七年：21%)。

除此之外，於截至二零一八年十二月三十一日止年度，概無來自單一公司或集團授權的遊戲的收入超過本集團收入的10%或以上(二零一七年：相同)。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

Non-current assets other than financial instruments and deferred income tax assets, by country:

		As at December 31,	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		USD	USD
		美元	美元
BVI	英屬處女群島	5,165,823	–
The PRC	中國	3,166,898	1,042,748
Hong Kong	香港	1,012,850	499,532
Other locations	其他地點	60,813	62,043
		9,406,384	1,604,323

5 收入及分部資料（續）

(a) 來向客戶合約的收入之分拆（續）

按國家劃分的非流動資產（金融工具及遞延所得稅資產除外）：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

5 收入及分部資料（續）

(b) 與客戶合約有關的資產及負債

本集團已確認以下與客戶合約有關的資產及負債：

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Contract liabilities – unamortised revenue from sales of Game Tokens and virtual items for web-based games and mobile games	合約負債 – 銷售用於網頁遊戲及手機遊戲的遊戲代幣和虛擬物品所得的未攤銷收入	3,041,248	3,378,368
Contract liabilities- royalty fees received in advance	合約負債 – 預先收取的版權費	382,672	112,833
Contract liabilities – unamortised balance of the initial license fee	合約負債 – 初步許可費用的未攤銷結餘	382,379	578,199
Total current contract liabilities	即期合約負債總額	3,806,299	4,069,400

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

6 PROPERTY, PLANT AND EQUIPMENT

6 物業、廠房及設備

		Office equipment 辦公室設備 USD 美元	Computers 電腦 USD 美元	Leasehold improvements 租賃物業裝修 USD 美元	Total 總計 USD 美元
Year ended December 31, 2018	截至二零一八年 十二月三十一日止年度				
Opening net book amount	年初賬面淨值	32,231	106,344	132,017	270,592
Additions	添置	25,668	106,568	2,162,176	2,294,412
Depreciation charge (Note a)	折舊費用(附註a)	(12,164)	(63,299)	(294,900)	(370,363)
Currency translation differences	貨幣換算差額	(2,256)	(7,237)	(78,020)	(87,513)
Closing net book amount	年末賬面淨值	43,479	142,376	1,921,273	2,107,128
At December 31, 2018	於二零一八年十二月三十一日				
Cost	成本	110,920	400,101	2,080,394	2,591,415
Accumulated depreciation	累計折舊	(67,441)	(257,725)	(159,121)	(484,287)
Net book amount	賬面淨值	43,479	142,376	1,921,273	2,107,128
Year ended December 31, 2017	截至二零一七年 十二月三十一日止年度				
Opening net book amount	年初賬面淨值	54,345	80,873	266,289	401,507
Additions	添置	1,759	57,684	–	59,443
Depreciation charge (Note a)	折舊費用(附註a)	(26,648)	(38,327)	(146,953)	(211,928)
Currency translation differences	貨幣換算差額	2,775	6,114	12,681	21,570
Closing net book amount	年末賬面淨值	32,231	106,344	132,017	270,592
At December 31, 2017	於二零一七年十二月三十一日				
Cost	成本	91,335	314,621	452,899	858,855
Accumulated depreciation	累計折舊	(59,104)	(208,277)	(320,882)	(588,263)
Net book amount	賬面淨值	32,231	106,344	132,017	270,592

(a) Depreciation charges were charged to administrative expenses during the year ended December 31, 2018 and 2017.

(a) 於截至二零一八年及二零一七年十二月三十一日止年度，折舊費用計入行政開支。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

7 INTANGIBLE ASSETS

7 無形資產

		Licenses 許可權 USD 美元	Computer software 電腦軟件 USD 美元	Total 總計 USD 美元
Year ended December 31, 2018	截至二零一八年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	449,436	11,665	461,101
Additions	添置	2,339,974	13,864	2,353,838
Amortisation (Note a)	攤銷（附註a）	(494,958)	(2,699)	(497,657)
Currency translation differences	貨幣換算差額	-	(958)	(958)
Closing net book amount	年末賬面淨值	2,294,452	21,872	2,316,324
At December 31, 2018	於二零一八年十二月三十一日			
Cost	成本	3,124,848	43,904	3,168,752
Accumulated amortisation	累計攤銷	(830,396)	(22,032)	(852,428)
Net book amount	賬面淨值	2,294,452	21,872	2,316,324
Year ended December 31, 2017	截至二零一七年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	56,255	12,493	68,748
Additions	添置	523,000	-	523,000
Amortisation (Note a)	攤銷（附註a）	(129,819)	(2,434)	(132,253)
Currency translation differences	貨幣換算差額	-	1,606	1,606
Closing net book amount	年末賬面淨值	449,436	11,665	461,101
At December 31, 2017	於二零一七年十二月三十一日			
Cost	成本	2,324,875	30,998	2,355,873
Accumulated amortisation	累計攤銷	(1,875,439)	(19,333)	(1,894,772)
Net book amount	賬面淨值	449,436	11,665	461,101

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

7 INTANGIBLE ASSETS (Continued)

- (a) Amortisation charges were expensed in the following categories in the consolidated statement of comprehensive income:

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Cost of revenue	成本	418,778	129,819
As a reduction to revenue	作為收入的扣減	76,180	–
Administrative expenses	行政開支	2,699	2,434
		497,657	132,253

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial assets at FVOCI

Financial assets at FVOCI comprise:

- (i) Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- (ii) Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

7 無形資產（續）

- (a) 攤銷費用於合併全面收益表內於以下類別支銷：

8 按公平值計量且其變動計入其他全面收益的金融資產

按公平值計量且其變動計入其他全面收益的金融資產之分類

按公平值計量且其變動計入其他全面收益的金融資產包括：

- (i) 並非持作買賣且本集團已於初始確認時不可撤回地選擇在此類別內確認的股本證券。此等證券乃策略性投資，而本集團認為此類別更為適切。
- (ii) 合約現金流量純粹為本金及利息的債券證券，而本集團的業務模式乃透過收取合約現金流量及出售金融資產而達致。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Equity investments at FVOCI

Equity investments at FVOCI comprise the following investment:

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Non-current assets	非流動資產		
<i>Listed securities</i>	<i>上市證券</i>		
FingerTango Inc. (Note a)	指尖悅動控股有限公司（附註a）	2,670,518	—

(a) During the year ended December 31, 2018, USD2,559,607 was invested by the Group to acquire approximately 0.6% of common stocks of FingerTango Inc., a company listed in Hong Kong which is principally engaged in the development, operation and publishing mobile game business in the PRC.

The following table presents the changes in financial assets at FVOCI:

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
As at January 1	於一月一日	—	—
Addition	添置	2,559,607	—
Gain recognised in other comprehensive income	於其他全面收益確認的收益	110,911	—
As at December 31	於十二月三十一日	2,670,518	—

During the year ended December 31, 2018, the Group did not have any investment in debt securities.

8 按公平值計量且其變動計入其他全面收益的金融資產（續）

於按公平值計量且其變動計入其他全面收益的股本投資

於按公平值計量且其變動計入其他全面收益的股本投資包括以下投資：

(a) 於截至二零一八年十二月三十一日止年度，本集團斥資2,559,607美元收購指尖悅動控股有限公司約0.6%的普通股。該公司在香港上市，主要在中國從事開發、營運及發行手機遊戲業務。

下表呈列按公平值計量且其變動計入其他全面收益的金融資產之變動：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

9 FINANCIAL INSTRUMENTS BY CATEGORIES 9 按類別劃分的金融工具

		As at December 31, 於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		USD	USD
		美元	美元
Financial assets*	金融資產*		
Financial assets at amortised cost	按攤銷成本計量的金融資產		
– Trade and other receivables (excluding prepayments and deposits)	– 貿易及其他應收款項 (不包括預付款及按金)	16,644,000	16,255,433
– Cash and cash equivalents	– 現金及現金等價物	32,598,242	43,997,614
		49,242,242	60,253,047
Financial asset at FVOCI	按公平值計量且其變動計入 其他全面收益的金融資產		
– Investment in equity securities	– 於股本證券的投資	2,670,518	–
Financial liabilities	金融負債		
Liabilities at amortised cost	按攤銷成本計量的負債		
– Trade and other payables and accruals (excluding salary and staff welfare payables and taxes payable)	– 貿易及其他應付款項和 應計費用（不包括應付 薪金及員工福利及 應繳稅項）	4,646,937	7,769,297

* See Note 2.1.1 for details about the impact from changes in accounting policies.

* 有關會計政策變動的影響，請參閱附註2.1.1。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

10 INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries of the Group as at December 31, 2018 are set out below:

10 於附屬公司的投資

本集團於二零一八年十二月三十一日的附屬公司詳情如下：

Company Name	Place and date of incorporation/ establishment	Issued and paid-in capital/ registered capital	Equity interest held as at December 31, 2018 and 2017	Principal activities and place of operation
公司名稱	註冊成立／成立地點及日期	已發行及實繳資本／註冊資本	於二零一八年及二零一七年十二月三十一日持有的股權	主要業務及經營地點
Directly owned				
直接擁有				
Digital Hollywood International Limited ("Hollywood BVI")	BVI/ November 25, 2014	USD100	100%	Investment holding/BVI
Digital Hollywood International Limited ("Hollywood BVI")	英屬處女群島／ 二零一四年十一月二十五日	100美元	100%	投資控股／英屬處女群島
PCL	BVI/ January 25, 2011	USD50,000	100%	Operation of web-based and mobile games/Global markets, mainly in North American market
PCL	英屬處女群島／ 二零一一年一月二十五日	50,000美元	100%	營運網頁及手機遊戲／全球市場，主要在北美市場
Angame	BVI/ July 5, 2005	USD100	100%	Operation of mobile games/mainly in Vietnam and Malaysia
Angame	英屬處女群島／ 二零零五年七月五日	100美元	100%	營運手機遊戲／主要在越南及馬來西亞
Indirectly owned				
間接擁有				
Hollywood HK	Hong Kong/ December 5, 2014	HKD1	100%	Operation of online games/mainly in Hong Kong and Taiwan
Hollywood HK	香港／ 二零一四年十二月五日	1港元	100%	營運網絡遊戲／主要在香港及台灣
N2PG	Hong Kong/ March 29, 2011	HKD10,000	100%	Operation of web-based game overseas/ mainly in North American market
N2PG	香港／ 二零一一年三月二十九日	10,000港元	100%	營運網頁遊戲／海外，主要在北美市場

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註 (續)

10 INVESTMENTS IN SUBSIDIARIES (Continued)

10 於附屬公司的投資 (續)

Company Name	Place and date of incorporation/ establishment	Issued and paid-in capital/ registered capital	Equity interest held as at December 31, 2018 and 2017	Principal activities and place of operation
公司名稱	註冊成立 / 成立地點及日期	已發行及實繳資本 / 註冊資本	於二零一八年及二零一七年十二月三十一日持有的股權	主要業務及經營地點
Guangzhou You Lai	The PRC/ May 13, 2015	USD2,000,000	100%	Technical support services/the PRC
廣州遊萊	中國 / 二零一五年五月十三日	2,000,000美元	100%	技術支援服務 / 中國
北京游堂信息科技有限公司 (Beijing You Tang Information Technology Company Limited, "Beijing You Tang")	The PRC/ July 17, 2015	RMB2,000,000	100%	Investment holding/the PRC
北京游堂信息科技有限公司 (「北京游堂」)	中國 / 二零一五年七月十七日	人民幣2,000,000元	100%	投資控股 / 中國
Zhang Ying Kong	The PRC/ March 6, 2013	RMB1,000,000	100%	Development of mobile games/the PRC
掌贏控	中國 / 二零一三年三月六日	人民幣1,000,000元	100%	開發手機遊戲 / 中國
Guangzhou Suiyu Niandai	The PRC/ June 12, 2010	RMB1,270,000	100%	Marketing and technical support service/the PRC
廣州歲月年代	中國 / 二零一零年六月十二日	人民幣1,270,000元	100%	市場營銷及技術支援服務 / 中國
北京游萊信息科技有限公司 (Beijing You Lai Information Technology Company Limited, "Beijing You Lai")	The PRC/ November 14, 2014	RMB1,000,000	100%	Investment holding/the PRC
北京遊萊信息科技有限公司 (「北京遊萊」)	中國 / 二零一四年十一月十四日	人民幣1,000,000元	100%	投資控股 / 中國

Notes: The Company has set up a structured entity ("Share Scheme Trust") solely for the purpose of administering and holding the Company's shares for the Share Option Scheme (Note 16), the Company has the power to direct the relevant activities of Share Scheme Trust and it has the ability to use its power over Share Scheme Trust to affect its exposure to returns. Therefore, the assets and liabilities of Share Scheme Trust are included in the Group's balance sheet and the shares it held are presented as a deduction in equity as shares held for the Share Option Scheme.

附註：本公司已設立一家結構性實體（「股份計劃信託」），僅用作管理及持有本公司就購股權計劃持有的股份（附註16），本公司有權指示股份計劃信託的相關活動，並有能力對股份計劃信託運用權力以影響其風險回報。因此，股份計劃信託的資產及負債載列於本集團資產負債表，而其所持有的股份乃以就購股權計劃持有的股份呈列為權益減少。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

11 INVESTMENT IN AN ASSOCIATE

The amounts recognised in the consolidated balance sheet are as follows:

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Associate	聯營公司	640,233	681,625
The loss recognised in the consolidated statement of comprehensive income is as follows:			
Associate		3,355	47,274

Set out below are the details of the associate of the Group. The associate as listed below has share capital consisting solely of registered capital, which are held directly by the Group.

Details of investment in an associate as at December 31, 2018 and 2017:

Name of entity 實體名稱	Place of business/country of incorporation 營業地點／註冊成立國家	% of ownership interest 所有權權益百分比(%)	Nature of the relationship 關係性質	Measurement method 計量方法
上海集鷹科技有限公司 (Shanghai Jiying Technology Company Limited, "Shanghai Jiying")	The PRC	20	(i) and (ii)	Equity
上海集鷹科技有限公司 (「上海集鷹」)	中國	20	(i)及(ii)	權益

(i) The Group has designated a member in the Board of Directors which enables the Group to exercise significant influence in Shanghai Jiying through the participation in operational, investing and financing actions. Consequently, Shanghai Jiying has been accounted for as an associate.

Shanghai Jiying is a private company engaged in game operation and there is no quoted market price available for its equity.

(ii) There were no contingent liabilities relating to the Group's interest in the associate.

11 於聯營公司的投資

於合併資產負債表內確認的金額如下：

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Associate	聯營公司	640,233	681,625
The loss recognised in the consolidated statement of comprehensive income is as follows:			
Associate		3,355	47,274

以下載列本集團聯營公司的資料。下文所列聯營公司的股本僅包括註冊股本，有關註冊股本由本集團直接持有。

於二零一八年及二零一七年十二月三十一日於一家聯營公司的投資的詳情。

Name of entity 實體名稱	Place of business/country of incorporation 營業地點／註冊成立國家	% of ownership interest 所有權權益百分比(%)	Nature of the relationship 關係性質	Measurement method 計量方法
上海集鷹科技有限公司 (Shanghai Jiying Technology Company Limited, "Shanghai Jiying")	The PRC	20	(i) and (ii)	Equity
上海集鷹科技有限公司 (「上海集鷹」)	中國	20	(i)及(ii)	權益

(i) 本集團已於董事會指派一名成員，使本集團可透過參與營運、投資及融資行動於上海集鷹行使重大影響力。因此，上海集鷹已列作一家聯營公司入賬。

上海集鷹為一家從事遊戲營運的私營公司，其股票並無市場報價。

(ii) 概無涉及本集團於聯營公司的權益的或然負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

11 INVESTMENT IN AN ASSOCIATE (Continued)

Summarised financial information of the associate

Set out below is the summarised financial information of the associate which is accounted for using the equity method.

		Shanghai Jiying 上海集鷹	
		As at December 31, 2018 於二零一八年 十二月三十一日	As at December 31, 2017 於二零一七年 十二月三十一日
		USD 美元	USD 美元
Current assets	流動資產	961,760	1,135,083
Non-current assets	非流動資產	194,377	68,392
Current liabilities	流動負債	(274,971)	(252,949)
Net assets	淨資產	881,166	950,526

11 於聯營公司的投資（續）

聯營公司的財務報表摘要

以下載列聯營公司的財務報表摘要，有關資料乃使用權益法計算得出。

Summarised statement of comprehensive income

全面收益表摘要

		Shanghai Jiying 上海集鷹	
		Year ended December 31, 2018 截至二零一八年 十二月三十一日 止年度	Year ended December 31, 2017 截至二零一七年 十二月三十一日 止年度
		USD 美元	USD 美元
Revenue	收入	472,522	264,516
Cost of sales	銷售成本	(105,263)	(62,662)
Administrative expenses	行政開支	(359,661)	(438,253)
Other income	其他收入	2,591	-
Other loss	其他虧損	(26,848)	-
Interest income	利息收入	-	248
Interest expense	利息開支	(116)	(219)
Loss for the year	年內虧損	(16,775)	(236,370)
Other comprehensive income	其他全面收益	-	-
Total comprehensive loss	全面虧損總額	(16,775)	(236,370)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

11 INVESTMENT IN AN ASSOCIATE (Continued)

Summarised statement of comprehensive income (Continued)

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

Reconciliation of summarised historical financial information

Reconciliation of the summarised financial information presented to the carrying amount of investment in the associate.

Summarised historical financial information

11 於聯營公司的投資(續)

全面收益表摘要(續)

以上資料反映聯營公司財務報表呈列的金額(而非本集團應佔金額),並已就本集團與聯營公司之間的會計政策差異作出調整。

歷史財務資料摘要對賬

所呈列財務資料摘要與於聯營公司投資的賬面值的對賬。

歷史財務資料摘要

		Shanghai Jiying 上海集鷹	
		Year ended December 31, 2018 截至二零一八年 十二月三十一日 止年度 USD 美元	Year ended December 31, 2017 截至二零一七年 十二月三十一日 止年度 USD 美元
Opening net assets January 1	年初淨資產(一月一日)	950,526	1,120,365
Loss for the year	年內虧損	(16,775)	(236,370)
Currency translation differences	貨幣換算差額	(52,585)	66,531
Closing net assets	期末淨資產	881,166	950,526
Interest in associate (20%)	於聯營公司的權益(20%)	176,233	190,105
Goodwill	商譽		
– Initial amount	– 初始金額	464,000	491,520
– Impairment	– 減值	–	–
Carrying value	賬面值	640,233	681,625

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

12 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

12 遞延所得稅

遞延所得稅資產及負債的分析如下：

		As at December 31,	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		USD	USD
		美元	美元
Deferred income tax assets:	遞延所得稅資產：		
– to be recovered within 12 months	– 將於12個月內收回	173,875	239,452
Deferred income tax liabilities:	遞延所得稅負債：		
– to be recovered after more than 12 months	– 將於超過12個月後收回	(21,339)	–
– to be recovered within 12 months	– 將於12個月內收回	(34,682)	(43,573)
		(56,021)	(43,573)
Deferred tax assets – net	遞延稅項資產淨額	117,854	195,879

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

12 DEFERRED INCOME TAX (Continued)

Movement in deferred income tax assets without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

		Contract liabilities	Provisions	Total
		合約負債	撥備	總計
		USD	USD	USD
		美元	美元	美元
Year ended December 31, 2018	截至二零一八年十二月三十一日止年度			
At beginning of the year	於年初	135,748	103,704	239,452
Charged to/(credited to) the income statement	扣除自/(計入) 收益表	(60,858)	2,649	(58,209)
Currency translation differences	貨幣換算差額	(1,533)	(5,835)	(7,368)
At end of the year	於年末	73,357	100,518	173,875
Year ended December 31, 2017	截至二零一七年十二月三十一日止年度			
At beginning of the year	於年初	117,940	29,951	147,891
Credited to the income statement	計入收益表	14,955	69,783	84,738
Currency translation differences	貨幣換算差額	2,853	3,970	6,823
At end of the year	於年末	135,748	103,704	239,452

12 遞延所得稅（續）

遞延所得稅資產的變動（不計及同一稅務司法權區內的結餘抵銷）如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註 (續)

12 DEFERRED INCOME TAX (Continued)

Movement in deferred income tax liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

		Contract costs	Changes in fair value of financial assets at FVOCI	Total
		按公平值計量且其變動計入其他全面收益的金融資產	按公平值計量且其變動計入其他全面收益的金融資產	
		合約成本	之公平值變動	總計
		USD	USD	USD
		美元	美元	美元
Year ended December 31, 2018	截至二零一八年十二月三十一日止年度			
At beginning of the year	於年初	(43,573)	–	(43,573)
Charged to other comprehensive income	於其他全面收益扣除	–	(21,339)	(21,339)
Credited to the income statement	計入收益表	8,303	–	8,303
Currency translation differences	貨幣換算差額	588	–	588
At end of the year	於年末	(34,682)	(21,339)	(56,021)
Year ended December 31, 2017	截至二零一七年十二月三十一日止年度			
At beginning of the year	於年初	(27,362)	–	(27,362)
Charged to the income statement	於收益表扣除	(15,180)	–	(15,180)
Currency translation differences	貨幣換算差額	(1,031)	–	(1,031)
At end of the year	於年末	(43,573)	–	(43,573)

Deferred income tax liabilities of USD689,756 (2017: USD624,623) as at December 31, 2018, have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Unremitted earnings totalled USD13,795,125 (2017: USD12,492,466) as at December 31, 2018.

12 遞延所得稅 (續)

遞延所得稅負債的變動(不計及同一稅務司法權區內的結餘抵銷)如下:

	Contract costs	Changes in fair value of financial assets at FVOCI	Total	
	按公平值計量且其變動計入其他全面收益的金融資產	按公平值計量且其變動計入其他全面收益的金融資產		
	合約成本	之公平值變動	總計	
	USD	USD	USD	
	美元	美元	美元	
Year ended December 31, 2018	截至二零一八年十二月三十一日止年度			
At beginning of the year	於年初	(43,573)	–	(43,573)
Charged to other comprehensive income	於其他全面收益扣除	–	(21,339)	(21,339)
Credited to the income statement	計入收益表	8,303	–	8,303
Currency translation differences	貨幣換算差額	588	–	588
At end of the year	於年末	(34,682)	(21,339)	(56,021)
Year ended December 31, 2017	截至二零一七年十二月三十一日止年度			
At beginning of the year	於年初	(27,362)	–	(27,362)
Charged to the income statement	於收益表扣除	(15,180)	–	(15,180)
Currency translation differences	貨幣換算差額	(1,031)	–	(1,031)
At end of the year	於年末	(43,573)	–	(43,573)

於二零一八年十二月三十一日，並無就若干附屬公司的未匯出盈利應付的預扣稅及其他稅項確認遞延所得稅負債689,756美元(二零一七年：624,623美元)。有關金額已用作永久再投資。於二零一八年十二月三十一日的未匯出盈利合共為13,795,125美元(二零一七年：12,492,466美元)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

13 TRADE RECEIVABLES

13 貿易應收款項

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Trade receivables (Note a)	貿易應收款項（附註a）	5,260,697	5,890,782
Less: allowance for impairment of trade receivables (Note (b))	減：貿易應收款項減值撥備（附註(b)）	(1,635,576)	(1,698,689)
		3,625,121	4,192,093

(a) Trade receivables are arising from the development and operation of online game business. The credit terms of trade receivables granted to the Platforms and third party payment vendors are usually zero to 120 days and zero to 30 days, respectively. Aging analysis based on invoice date of the gross trade receivables at the respective balance sheet dates is as follows:

(a) 貿易應收款項來自網絡遊戲業務的開發及營運。授予平台及第三方付款服務供應商的貿易應收款項信貸期通常分別為零至120日及零至30日。於各有關結算日基於貿易應收款項總額發票日期的賬齡分析如下：

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
0-30 days	0至30日	1,085,622	1,278,010
31-90 days	31至90日	1,106,756	1,757,240
91-180 days	91至180日	764,506	948,332
Over 180 days	超過180日	2,303,813	1,907,200
		5,260,697	5,890,782

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

13 TRADE RECEIVABLES (Continued)

- (b) As at December 31, 2018, trade receivables of USD5,260,697 (2017: USD2,236,959) were impaired. Movements on the Group's provision for impairment of trade receivables are as follows:

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
At beginning of the year	於年初	1,698,689	1,358,953
(Reversal of)/provision for trade receivables	貿易應收款項(撥備撥回)/撥備	(33,113)	339,736
Receivables written off during the year as uncollectible	作為不可收回而年內撇銷的應收款項	(30,000)	-
At end of the year	於年末	1,635,576	1,698,689

The provision and reversal of provision for impaired receivables have been included in "administrative expenses" in the consolidated statement of comprehensive income.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1.

- (c) The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
USD	美元	3,735,911	4,325,432
RMB	人民幣	1,519,674	1,481,180
HKD	港元	5,112	84,170
		5,260,697	5,890,782

13 貿易應收款項(續)

- (b) 於二零一八年十二月三十一日，貿易應收款項5,260,697美元(二零一七年：2,236,959美元)已減值。本集團貿易應收款項減值撥備的變動如下：

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
At beginning of the year	於年初	1,698,689	1,358,953
(Reversal of)/provision for trade receivables	貿易應收款項(撥備撥回)/撥備	(33,113)	339,736
Receivables written off during the year as uncollectible	作為不可收回而年內撇銷的應收款項	(30,000)	-
At end of the year	於年末	1,635,576	1,698,689

已減值的應收款項的撥備及撥備撥回已計入合併全面收益表的「行政開支」項內。

有關貿易應收款項減值及本集團所面對的信貸風險、外幣風險及利率風險的資料，可參閱附註3.1。

- (c) 本集團的貿易應收款項的賬面值乃以下列貨幣計值：

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
USD	美元	3,735,911	4,325,432
RMB	人民幣	1,519,674	1,481,180
HKD	港元	5,112	84,170
		5,260,697	5,890,782

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

13 TRADE RECEIVABLES (Continued)

(d) As at December 31, 2018 and 2017, the fair value of trade receivables approximated their carrying amounts.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

13 貿易應收款項(續)

(d) 於二零一八年及二零一七年十二月三十一日，貿易應收款項的公平值與其賬面值相若。

本集團於報告日期承受的最大信貸風險為上述各類別應收款項的賬面值。本集團並無持有任何抵押品作為抵押。

14 PREPAYMENTS AND OTHER RECEIVABLES

14 預付款及其他應收款項

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Included in non-current assets	計入非流動資產		
Prepayment for intangible assets	無形資產預付款	235,700	50,000
Prepayment for leasehold improvements	租賃物業裝修預付款	–	35,067
Prepayment for equity investments (Note a)	股本投資預付款(附註a)	3,550,000	50,000
Prepayment for game development	遊戲開發預付款	504,193	–
Deposits	按金	52,806	55,938
		4,342,699	191,005
Included in current assets	計入流動資產		
Receivables relating to payment channels (Note b)	有關付款渠道的應收款項(附註b)	12,864,097	11,930,540
Prepaid royalty fees	預付版權費	1,310,731	636,183
Prepaid advertising charges	預付廣告費用	51,307	38,649
Prepaid server rental expenses	預付伺服器租賃開支	120,079	95,168
Deposits (to be recovered within 12 months)	按金(將於12個月內收回)	60,577	63,574
Others	其他	154,782	132,800
		14,561,573	12,896,914
		18,904,272	13,087,919



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

14 PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

- (a) Two prepayments for equity investments:
Prepayment of USD50,000 was for the right to equity purchase of certain shares of a company engaged in game operation, which is to be determined at a later stage.

On April 20, 2018, the Company made a prepayment to the shares to be issued by Nouveau Capital Partners Corp. ("Nouveau") to the Company, which is a company established with limited liability in accordance with the laws of BVI, and it is principally engaged in investment holding, at a total consideration of USD3,500,000. As at the date of this report, to the best of the Directors' knowledge, Nouveau held approximately 16.27% of the issued share capital in Bright Idea Life Company Limited (頑石生活股份有限公司, "Bright Idea Life"). Bright Idea Life is a company established with limited liability in accordance with the laws of Taiwan district, which is principally engaged in the provision of cultural and art promotion services via multimedia, animation, games and virtual reality technologies. The right to purchase of the shares will be effective when the Investment Commission in Taiwan approve this transaction.

- (b) Receivables relating to payment channels mainly represent the balances in PayPal and Skrill (formerly Moneybookers), for cash collection from game players for games operated on the Group's websites.

14 預付款及其他應收款項（續）

- (a) 兩項股本投資的預付款：
就收購一家從事遊戲營運的公司若干股份的股權購買權的預付款50,000美元，乃於較後階段釐定。

於二零一八年四月二十日，本公司就Nouveau Capital Partners Corp.（「Nouveau」）將向本公司發行的股份作出預付款，總代價為3,500,000美元。Nouveau為一家根據英屬處女群島法律成立的有限公司，主要從事投資控股。截至本報告日期，就董事所知，Nouveau持有頑石生活股份有限公司（「頑石生活」）已發行股本約16.27%。頑石生活為一家根據台灣區法律成立的有限公司，主要從事透過多媒體、動畫、遊戲及虛擬現實技術提供文化及藝術推廣服務。當台灣投資委員會批准此項交易後，購買股份的權利將告生效。

- (b) 有關付款渠道的應收款項主要指於PayPal及Skrill（前稱Moneybookers）內的結餘，乃就於本集團網站營運的遊戲而向遊戲玩家收取的現金。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

15 CASH AND CASH EQUIVALENTS

15 現金及現金等價物

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
Cash at bank	銀行現金	32,598,242	43,997,614

Cash and cash equivalents are denominated in the following currencies:

現金及現金等價物乃以下列貨幣計值：

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
USD	美元	3,153,443	2,959,158
RMB	人民幣	1,583,614	595,684
HKD	港元	26,353,280	39,226,042
EURO	歐元	1,507,905	1,216,730
		32,598,242	43,997,614

The conversion of USD denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

以美元計值的結餘換算為外幣及將該等以外幣計值的銀行結餘及現金匯出中國，須遵守中國政府頒佈的相關外匯管制規則及規例。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

16 SHARE CAPITAL AND SHARES HELD FOR THE SHARE OPTION SCHEME

The total authorised share capital of the Company comprises 4,000,000,000 ordinary shares (2017: 4,000,000,000 ordinary shares) with par value of USD0.001 per share (2017: USD0.001 per share).

As at December 31, 2018, the total number of issued ordinary shares of the Company was 2,000,000,000 shares (2017: 2,000,000,000 shares) which included 149,999,973 shares (2017: 149,999,973 shares) held under the share incentive scheme. They have been fully paid up.

A summary of movements in the Company's share capital and shares held for the Share Option Scheme are as follows:

16 股本及就購股權計劃持有的股份

本公司的總法定股本包括4,000,000,000股普通股（二零一七年：4,000,000,000股普通股），而每股面值為0.001美元（二零一七年：每股0.001美元）。

於二零一八年十二月三十一日，本公司已發行普通股總數為2,000,000,000股（二零一七年：2,000,000,000股），包括就股份激勵計劃持有的149,999,973股股份（二零一七年：149,999,973股）。該等股份已繳足股款。

本公司股本及就購股權計劃持有的股份之變動概要如下：

	Number of shares in issue	Share capital	Shares held for the Share Option Scheme
	已發行股份數目	股本 USD 美元	就購股權計劃 持有的股份 USD 美元 (Note a) (附註a)
At December 31, 2018 and 2017 於二零一八年及 二零一七年十二月三十一日	2,000,000,000	2,000,000	(150,000)

(a) According to the written resolutions of all the members of the Company dated November 2, 2015 and capitalisation issue dated November 24, 2017, an aggregate of 150,000,000 ordinary shares were authorised and reserved for the issuance to the employees, directors of the Group and other persons pursuant to the share incentive scheme (the "Share Option Scheme") adopted by the Company.

The Company has appointed Core Trust Company Limited as the trustee to assist with the administration and vesting of options granted pursuant to the Share Option Scheme. On May 27, 2017, the Company allotted and issued shares to Epic City Limited ("Share Scheme Trust"), a wholly-owned subsidiary of Core Trust Company Limited, which are or will be used to satisfy the options upon exercise. The shares held by Share Scheme Trust are presented as a deduction in equity as shares held for the Share Option Scheme.

During the year ended December 31, 2018, the Share Scheme Trust has not transferred any ordinary shares of the Company (December 31, 2017: nil) to the grantees vesting of the awarded shares (Note 18).

(a) 根據日期為二零一五年十一月二日日本公司全體股東的書面決議案及日期為二零一七年十一月二十四日的資本化發行，合共150,000,000股普通股已獲授權及保留以根據本公司採納的股份獎勵計劃（「購股權計劃」）發行予本集團的僱員、董事及其他人士。

本公司已委任Core Trust Company Limited作為受託人以協助管理及歸屬根據購股權計劃授出的購股權。於二零一七年五月二十七日，本公司向Epic City Limited（「股份計劃信託」，Core Trust Company Limited的全資附屬公司）配發及發行股份，用以或將用以滿足購股權獲行使時的需要。股份計劃信託持有的股份以就購股權計劃持有的股份呈列為權益減少。

於截至二零一八年十二月三十一日止年度，股份計劃信託並無向承授人轉讓本公司任何普通股（二零一七年十二月三十一日：無），以歸屬獲獎勵的股份（附註18）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

17 RESERVES

17 儲備

		Share-based Share premium	payment reserves	Statutory reserves	Currency translation difference	Other reserves	Total
		以股份為基礎 股份溢價	的付款儲備	法定儲備	貨幣換算差額	其他儲備	總計
		USD	USD	USD	USD	USD	USD
		美元	美元	美元	美元	美元	美元
Balance at January 1, 2018	於二零一八年 一月一日的結餘	35,603,166	1,235,402	249,908	(412,455)	(742,332)	35,933,689
Appropriation to statutory reserves (Note a)	轉撥至法定儲備 (附註a)	-	-	72,445	-	-	72,445
The Share Option Scheme – value of employee services (Note 18)	購股權計劃 – 僱員服務 價值 (附註18)	-	2,632,741	-	-	-	2,632,741
Net gains from changes in fair value of financial assets at fair value through other comprehensive income (Note 8, 12)	按公平值計量且其變動 計入其他全面收益的 金融資產的公平值變動 收益淨額 (附註8、12)	-	-	-	-	89,572	89,572
Currency translation differences	貨幣換算差額	-	-	-	(445,971)	-	(445,971)
Balance at December 31, 2018	於二零一八年 十二月三十一日的結餘	35,603,166	3,868,143	322,353	(858,426)	(652,760)	38,282,476
Balance at January 1, 2017	於二零一七年 一月一日的結餘	455,249	612,443	249,908	(969,583)	(742,332)	(394,315)
Appropriation to statutory reserves (Note a)	轉撥至法定儲備 (附註a)	-	622,959	-	-	-	622,959
Capitalisation issue	資本化發行	(1,340,000)	-	-	-	-	(1,340,000)
Shares issued pursuant to the IPO	根據首次公開發售發行股份	36,487,917	-	-	-	-	36,487,917
Currency translation differences	貨幣換算差額	-	-	-	557,128	-	557,128
Balance at December 31, 2017	於二零一七年 十二月三十一日的結餘	35,603,166	1,235,402	249,908	(412,455)	(742,332)	35,933,689

(a) In accordance with the relevant laws and regulations in the PRC and the Articles of Association of subsidiaries located in the PRC, it is required to appropriate 10% of the annual statutory net profits after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing the net profit. When the balance of the statutory surplus reserve fund reaches 50% of the share capital, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of share capital.

(a) 根據中國的相關法律法規及位於中國內地的附屬公司的組織章程細則，於分派淨溢利前，須於抵銷按照中國會計準則釐定的任何過往年度虧損後，將年度法定淨溢利的10%撥至法定盈餘公積金。當法定盈餘公積金結餘達到股本的50%時，是否作出進一步轉撥由股東酌情決定。法定盈餘公積金可用於抵銷過往年度的虧損（如有），亦可透過按照現有持股比例向股東發行新股份或增加彼等目前持有的股份面值而轉換為股本，惟該項發行後法定盈餘公積金的結餘不得低於股本的25%。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

18 SHARE-BASED PAYMENTS

On February 15, 2018, 21,419,696 and 28,078,914 shares options were granted under the Share Option Scheme, with exercise price of HKD0.0074 and USD0.0074 per share, respectively. The vesting period of the share options granted is three years and the vesting schedule is 33.33% after twelve months from the grant date, 33.33% after 24 months from the grant date, and 33.34% after 36 months from the grant date respectively.

The directors have used the Binomial option-pricing model to determine the fair value of the share options as at the grant date. Key assumptions, such as risk-free interest rate, expected volatility and dividend yield, are required to be determined by the directors with best estimates. The risk-free interest rate, expected volatility and dividend yield were assessed to be 2.65%, 54.58% and 0%, respectively.

Movements of the number of share options outstanding and their related weighted average exercise prices are as follows:

18 以股份為基礎付款

於二零一八年二月十五日，21,419,696份及28,078,914份購股權分別根據購股權計劃授出，行使價分別為每股0.0074港元及0.0074美元。所授出購股權的歸屬期為三年，而歸屬時間為於授出日期起十二個月後歸屬33.33%，於授出日期起二十四個月後歸屬33.33%，及於授出日期起三十六個月後歸屬33.34%。

董事已使用二項式期權定價模式來釐定購股權於授出日期的公平值。董事須以最佳估算來釐定無風險利率、預期波幅及收益率等主要假設。無風險利率、預期波幅及收益率分別評估為2.65%、54.58%及0%。

尚未行使購股權的數目變動及該等購股權的相關加權平均行使價如下：

		Number of shares under the option 購股權項下股份數目	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
	Average exercise price 平均行使價		
As at January 1 於一月一日		—	—
Granted 授出	USD0.0046 0.0046美元	49,498,610	—
Forfeited 沒收	USD0.0044 0.0044美元	(6,843,487)	—
As at December 31 於十二月三十一日	USD0.0046 0.0046美元	42,655,123	—

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

19 TRADE PAYABLES

19 貿易應付款項

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Third parties	關聯方	3,177,289	1,128,017
Related parties (Note 29(d))	第三方（附註29(d)）	-	3,394,467
		3,177,289	4,522,484

Trade payables primarily related to the revenue sharing collected by payment channels and Platforms which is payable to cooperated game developers according to respective cooperation agreements. The credit terms of trade payables granted by the vendors are usually 30 to 90 days.

貿易應付款項主要與付款渠道及平台所收取的收入分攤金額有關，有關金額為根據有關合作協議應付予合作遊戲開發商。服務供應商授予的貿易應付款項信貸期一般為30至90日。

The aging analysis of trade payables based on invoice date is as follows:

貿易應付款項的賬齡分析（根據發票日期）如下：

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
0-90 days	0至90日	1,043,598	1,399,572
91-180 days	91至180日	978,536	1,052,690
181-360 days	181至360日	345,849	1,239,275
Over 360 days	超過360日	809,306	830,947
		3,177,289	4,522,484

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

19 TRADE PAYABLES (Continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
USD	美元	2,984,516	4,120,690
RMB	人民幣	192,773	401,794
		3,177,289	4,522,484

As at December 31, 2018, the fair value of trade payables approximated their carrying amounts (2017: same).

19 貿易應付款項（續）

本集團的貿易應付款項的賬面值乃以下列貨幣計值：

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
USD	美元	2,984,516	4,120,690
RMB	人民幣	192,773	401,794
		3,177,289	4,522,484

於二零一八年十二月三十一日，貿易應付款項的公平值與其賬面值相若（二零一七年：相同）。

20 OTHER PAYABLES AND ACCRUALS

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
Other taxes payable	其他應繳稅項	480,307	447,037
Salary and staff welfare payables	應付薪金及員工福利	702,378	628,551
Listing expenses payable	應付上市開支	58,087	1,996,539
Accrued professional service fees	應計專業服務費	614,444	484,321
Advertising payables	應付廣告費	324,569	228,850
Amounts due to related parties (Note 29(e))	應付關聯方款項（附註29(e)）	-	20,206
Rent payable	應付租金	279,348	279,062
Others	其他	193,200	237,835
		2,652,333	4,322,401

20 其他應付款項及應計費用

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
Other taxes payable	其他應繳稅項	480,307	447,037
Salary and staff welfare payables	應付薪金及員工福利	702,378	628,551
Listing expenses payable	應付上市開支	58,087	1,996,539
Accrued professional service fees	應計專業服務費	614,444	484,321
Advertising payables	應付廣告費	324,569	228,850
Amounts due to related parties (Note 29(e))	應付關聯方款項（附註29(e)）	-	20,206
Rent payable	應付租金	279,348	279,062
Others	其他	193,200	237,835
		2,652,333	4,322,401

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

20 OTHER PAYABLES AND ACCRUALS (Continued)

The carrying amounts of the Group's other payables and accruals are denominated in the following currencies:

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
USD	美元	1,462,482	3,073,460
RMB	人民幣	1,183,805	1,248,941
EURO	歐元	6,046	-
		2,652,333	4,322,401

As at December 31, 2018, the fair value of other payables approximated their carrying amounts (2017: same).

20 其他應付款項及應計費用(續)

本集團的其他應付款項及應計費用的賬面值乃以下列貨幣計值：

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
USD	美元	1,462,482	3,073,460
RMB	人民幣	1,183,805	1,248,941
EURO	歐元	6,046	-
		2,652,333	4,322,401

於二零一八年十二月三十一日，其他應付款項的公平值與其賬面值相若(二零一七年：相同)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

21 OTHER GAINS/(LOSSES), NET

21 其他收益／（虧損）淨額

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Other gains	其他收益		
Initial license fee forfeited by a licensee	特許營運商放棄的最初特許權費用	500,000	–
Foreign exchange gain, net	匯兌收益淨額	186,445	–
Others	其他	26,050	33,776
		712,495	33,776
Other losses	其他虧損		
Foreign exchange losses, net	匯兌虧損淨額	–	(572,463)
Others	其他	(1,153)	(1,226)
		(1,153)	(573,689)
Other gains/(losses), net	其他收益／（虧損）淨額	711,342	(539,913)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

22 EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing expenses, administrative expenses and research and development expenses are analysed as follows:

22 按性質劃分的開支

計入成本、銷售及營銷開支、行政開支及研發開支的開支分析如下：

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Commission charges by Platforms and third party payment vendors	平台及第三方付款服務供應商收取的佣金費用	8,083,420	10,853,537
Employee benefits expenses (Note 23)	僱員福利開支（附註23）	6,544,435	2,842,819
Advertising expenses	廣告開支	3,137,211	2,014,619
Servers rental expenses	伺服器租賃開支	1,887,180	1,575,362
Depreciation and amortisation	折舊及攤銷	791,840	344,181
Auditors' remuneration	核數師酬金		
– Audit services	– 審計服務	660,500	418,000
– Non-audit services	– 非審計服務	68,000	64,191
Other professional service fees	其他專業服務費	411,206	91,129
Office rental expenses	辦公室租賃開支	410,589	434,256
Royalty fees	版權費	323,766	(108,308)
Office charge	辦公室費用	101,361	95,909
Outsourcing research and development expenses	外包研發開支	69,956	37,947
Travelling and entertainment expenses	差旅及娛樂開支	68,222	97,524
Tax surcharges	附加稅	20,981	50,269
Listing expenses	上市開支	–	4,760,820
(Reversal of)/provision for trade receivables	貿易應收款項（撥備撥回）／撥備	(33,113)	339,736
Other expenses	其他開支	233,998	197,202
		22,779,552	24,109,193

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

23 EMPLOYEE BENEFITS EXPENSES

23 僱員福利開支

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Wages and salaries	工資及薪金	3,344,339	2,705,618
Share-based payments (Note 18)	以股份為基礎付款（附註18）	2,632,741	–
Pension costs – defined contribution plans (Note a)	養老金成本 – 界定供款計劃 （附註a）	273,988	76,770
Other social security costs, housing benefits and other employee benefits	其他社會保障成本、住房福利及 其他僱員福利	293,367	60,431
		6,544,435	2,842,819

(a) Pension costs – defined contribution plans

Employees of the Group's companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on a fixed percentage of 14% of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

(a) 養老金成本 – 界定供款計劃

本集團中國公司的僱員須參與由地方市政府管理及營運的界定供款退休計劃。本集團的供款乃按地方市政府就當地各計劃設定為僱員薪金14%的固定百分比（設有下列及上限金額）計算，以為僱員的退休福利提供資金。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

23 EMPLOYEE BENEFITS EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended December 31, 2018 include nil director. (2017: 3 directors whose emoluments are reflected in the analysis shown in Note 33) The emoluments payable to the remaining 5 (2017: 2) individuals for the year ended December 31, 2018 is as follows:

23 僱員福利開支（續）

(b) 五名最高薪酬人士

截至二零一八年十二月三十一日止年度，本集團的五名最高薪酬人士並不包括董事（二零一七年：3名董事，彼等的薪酬分別反映於附註33所示的分析）。截至二零一八年十二月三十一日止年度，應付餘下5名（二零一七年：2名）人士的薪酬如下：

		Year ended December 31, 截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		USD	USD
		美元	美元
Wages and salaries	工資及薪金	224,659	149,661
Pension costs – defined contribution plans	養老金成本 – 界定供款計劃	20,164	10,745
Other social security costs, housing benefits and other employee benefits	其他社會保障成本、住房福利及其他僱員福利	23,113	14,057
Share-based payments	以股份為基礎付款	1,784,635	–
		2,052,571	174,463



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

23 EMPLOYEE BENEFITS EXPENSES (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

Emolument band	薪酬範圍	Number of individuals 人數	
		Year ended December 31, 截至十二月三十一日止年度	2017
		2018	2017
		二零一八年	二零一七年
Nil – HK\$1,000,000	零 – 1,000,000港元	–	2
HK\$1,000,000 – HK\$2,000,000	1,000,000港元 – 2,000,000港元	1	–
HK\$2,000,000 – HK\$3,000,000	2,000,000港元 – 3,000,000港元	1	–
HK\$3,000,000 – HK\$4,000,000	3,000,000港元 – 4,000,000港元	3	–

During the year ended December 31, 2018 and 2017, neither directors nor the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

23 僱員福利開支（續）

(b) 五名最高薪酬人士（續）

薪酬介乎以下範圍：

於截至二零一八年及二零一七年十二月三十一日止年度，概無董事或五名最高薪酬人士從本集團收取任何薪酬，作為加入本集團的誘因、乃於加入本集團時收取、作為離開本集團的誘因或作為離職補償。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

24 FINANCE (COSTS)/INCOME, NET

24 財務（成本）／收入淨額

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Finance income	財務收入		
Interest income	利息收入	11,851	2,728
Foreign exchange gains, net	匯兌收益淨額	–	94,570
		11,851	97,298
Finance costs	財務成本		
Foreign exchange losses, net	匯兌虧損淨額	(93,418)	(39,388)
Finance (costs)/income, net	財務（成本）／收入淨額	(81,567)	57,910

25 INCOME TAX EXPENSE

The income tax expense of the Group for the years ended December 31, 2018 and 2017 is analysed as follows:

25 所得稅開支

本集團於截至二零一八年及二零一七年十二月三十一日止年度的所得稅開支分析如下：

		Year ended December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Current income tax	即期所得稅		
– PRC and Hong Kong	– 中國及香港	724,189	1,895,444
– Overseas withholding income tax	– 海外預扣所得稅	297,018	429,579
Deferred tax (Note 12)	遞延稅項（附註12）	49,906	(69,558)
		1,071,113	2,255,465



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

25 INCOME TAX EXPENSE (Continued)

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) British Virgin Islands income tax

Pursuant to the rules and regulations of the BVI, the company incorporated in BVI are not subject to any income tax.

(c) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for each of the years ended December 31, 2018 and 2017.

(d) The PRC Corporate Income Tax (“CIT”)

The income tax provision of the Group in respect of operations in the PRC has been calculated at the tax rate of 25% on the estimated assessable profits for the year ended December 31, 2018 and 2017, based on the existing legislation, interpretations and practices in respect thereof.

(e) The PRC withholding income tax (“WHT”)

According to the applicable the PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

During the year ended December 31, 2018 and 2017, the Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on PRC WHT was accrued as of the end of each reporting period.

25 所得稅開支（續）

(a) 開曼群島所得稅

本公司為根據開曼群島公司法於開曼群島註冊成立的獲豁免有限公司，因此，本公司獲豁免繳納開曼群島所得稅。

(b) 英屬處女群島所得稅

根據英屬處女群島的規則及規例，於英屬處女群島註冊成立的公司毋須繳納任何所得稅。

(c) 香港利得稅

截至二零一八年及二零一七年十二月三十一日止年度，已按稅率16.5%對估計應課稅溢利計提香港利得稅撥備。

(d) 中國企業所得稅（「企業所得稅」）

根據有關現行法例、詮釋及慣例，本集團就其於中國的業務計提的所得稅撥備乃按稅率25%對截至二零一八年及二零一七年十二月三十一日止年度的估計應課稅溢利計算。

(e) 中國預扣所得稅（「預扣稅」）

根據適用的中國稅務法規，於中國成立的公司就二零零八年一月一日之後產生的溢利向外國投資者分派的股息一般須繳納10%的預扣稅。倘於香港註冊成立的外國投資者符合中國與香港之間訂立的雙重課稅條約安排項下的條件及規定，則相關預扣稅稅率將從10%寬減至5%。

於截至二零一八年及二零一七年十二月三十一日止年度，本集團並無任何計劃規定其中國附屬公司分派其保留盈利，且有意保留該等盈利以於中國經營及拓展其業務。因此，截至各報告期末，概無與中國預扣稅有關的應計遞延所得稅負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

25 INCOME TAX EXPENSE (Continued)

(f) The Vietnam WHT

The Group has subcontracted games to a platform operating in Vietnam. According to the applicable the Vietnam tax regulations, royalty fees generated from Vietnam are subject to a 10% WHT.

(g) The Brazil WHT

The Group cooperates with a platform in Brazil. According to the applicable the Brazil tax regulations, income generated from Brazil is subject to 10% remittance tax and 15% income tax, which is withheld by the platform.

The tax on the Group's profit before tax differ from the theoretical amount that would arise using the statutory tax rate in the PRC of 25% as follows:

25 所得稅開支（續）

(f) 越南預扣稅

本集團將遊戲分包予一個在越南營運的平台。根據適用越南稅務規例，自越南產生的版權費須繳納10%的預扣稅。

(g) 巴西預扣稅

本集團與一個在巴西的平台合作。根據適用巴西稅務法例，從巴西產生的收入須繳納10%匯款稅及15%所得稅，由該平台預扣。

本公司有關除稅前溢利的稅項與使用中國法定稅率25%得出的理論金額有差異如下：

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Profit before income tax	除所得稅前溢利	2,008,217	3,982,139
Tax calculated at a tax rate of 25%	按稅率25%計算的稅項	502,054	995,535
Effect of different tax rates available to different subsidiaries of the Group	適用於本集團不同附屬公司的不同稅率的影響	(124,898)	(175,440)
Expenses not deductible for tax purposes	就稅務而言不可扣減的開支	396,939	1,005,791
Overseas withholding income tax	海外預扣所得稅	297,018	429,579
Income tax expense	所得稅開支	1,071,113	2,255,465

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

26 EARNINGS PER SHARE

Basic

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less shares held for the Share Option Scheme during the year ended December 31, 2018.

26 每股盈利

基本

於截至二零一八年十二月三十一日止年度，每股基本盈利（「每股盈利」）乃按本公司擁有人應佔溢利除以已發行的加權平均普通股數減就購股權計劃持有的股份計算。

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年	2017 二零一七年
Profit attributable to owners of the Company (USD)	本公司擁有人應佔溢利 (美元)	937,104	1,726,674
Weighted average number of ordinary shares in issue less shares held for the Share Option Scheme (Note a)	已發行的加權平均普通股數減就購股權計劃持有的股份 (附註a)	1,850,000,027	1,371,917,835
- Basic EPS (in USD cents/share)	- 每股基本盈利 (美仙/股)	0.05	0.13

(a) Pursuant to the shareholders' resolutions passed on November 24, 2017, an aggregate of 1,488,888,778 shares of USD0.001 each were allotted issued, credited as fully paid at par, by way of capitalisation of the sum of USD1,488,889 from the share premium account, to the then existing shareholders of the Company on December 15, 2017. In determining the numbers of ordinary shares in issue for December 31, 2017, a total of 1,500,000,000 ordinary shares were deemed to be in issue since January 1, 2017.

The EPS is based on that 1,850,000,027 and 1,371,917,835 shares were the weighted average number of ordinary shares in issue excluding the 149,999,973 (2017:149,999,973) shares held for the Share Option Scheme for the year ended December 31, 2018, without taking into account any shares which may be granted and issued by the Company pursuant to the Share Option Scheme.

(a) 根據於二零一七年十一月二十四日通過的股東決議案，透過從股份溢價賬中撥充1,488,889美元作為資本，於二零一七年十二月十五日向本公司當時存在的股東配發及發行合共1,488,888,778股每股面值0.001美元按面值入賬列為繳足的股份。在釐定於二零一七年十二月三十一日已發行的普通股數目時，合共1,500,000,000股普通股被視為自二零一七年一月一日起已發行。

每股盈利乃按照已發行的加權平均普通股數為1,850,000,027股及1,371,917,835股（不包括截至二零一八年十二月三十一日止年度就購股權計劃持有的149,999,973股（二零一七年：149,999,973股））計算，當中不計及本公司根據購股權計劃可授出及發行的任何股份。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

26 EARNINGS PER SHARE (Continued)

Diluted

The share options granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares in issue less shares held for the Share Option Scheme outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (collectively forming the denominator for computing the diluted EPS). No adjustment is made to earnings (numerator).

26 每股盈利（續）

攤薄

本公司授出的購股權對每股盈利有潛在攤薄作用。每股攤薄盈利乃就已發行普通股的加權平均數減就購股權計劃持有的發行在外股份數目作調整而計算，而此乃假設本公司授出的購股權所產生的所有潛在攤薄普通股均獲轉換（合共組成計算每股攤薄盈利的分母）。盈利（分子）並無作調整。

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年	2017 二零一七年
Profit attributable to owners of the Company (USD)	本公司擁有人應佔溢利（美元）	937,104	1,726,674
Weighted average number of ordinary shares in issue less shares held for the Share Option Scheme	已發行普通股加權平均數減就購股權計劃持有的股份	1,850,000,027	1,371,917,835
Adjustments for share options	就購股權作調整	10,403,520	—
Weighted average number of ordinary shares for the calculation of diluted EPS	用作計算每股攤薄盈利的普通股加權平均數	1,860,403,547	1,371,917,835
– Diluted EPS (in USD cents/share)	– 每股攤薄盈利（美仙／股）	0.05	0.13

No adjustment has been made to diluted EPS for the year ended December 31, 2017 as the Company did not have any potential ordinary shares outstanding as at December 31, 2017.

由於本公司於二零一七年十二月三十一日並無任何發行在外的具潛在攤薄潛力的普通股，因此並無對截至二零一七年十二月三十一日止年度的每股攤薄盈利作調整。

27 DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the year ended December 31, 2018 (2017: same).

27 股息

本公司董事不建議派付截至二零一八年十二月三十一日止年度之任何股息（二零一七年：相同）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

28 CASH GENERATED FROM OPERATIONS

28 經營所得現金

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Profit before income tax	除所得稅前溢利	2,008,217	3,982,139
Adjustments for:	就以下各項作出調整：		
- (Reversal of)/provision for trade receivables (Note 22)	- 貿易應收款項（撥備撥回）／撥備（附註22）	(33,113)	339,736
- Depreciation of property, plant and equipment (Note 6)	- 物業、廠房及設備折舊（附註6）	370,363	211,928
- Amortisation of intangible assets (Note 7)	- 無形資產攤銷（附註7）	497,657	132,253
- Share of losses of investment accounted for using the equity method (Note 11)	- 應佔使用權益法入賬的投資虧損（附註11）	3,355	47,274
- Share-based payments	- 以股份為基礎付款	2,632,741	-
- Foreign exchange (gain)/losses, net	- 匯兌（收益）／虧損淨額	(189,474)	501,935
		5,289,746	5,215,265
Changes in operating assets and liabilities	經營資產及負債變動		
- Trade receivables	- 貿易應收款項	430,587	(793,841)
- Prepayments and other receivables	- 預付款及其他應收款項	(1,816,981)	(745,384)
- Contract cost	- 合約成本	204,328	(358,712)
- Trade payables	- 貿易應付款項	(1,345,195)	(1,689,850)
- Contract liabilities	- 合約負債	(263,101)	185,433
- Other payables and accruals	- 其他應付款項及應計費用	(1,197,323)	(91,978)
- Advance from customers	- 預收客戶款項	28,300	(407,404)
Cash generated from operations	經營所得現金	1,330,361	1,313,529

During the year ended December 31, 2018, no changes in liabilities arose from financing activities (2017: same).

於截至二零一八年十二月三十一日止年度，並無融資活動產生的負債變動（二零一七年：相同）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

29 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

The following companies and individuals were related parties of the Group that had transactions and/or balances with the Group during the year ended December 31, 2018 and 2017:

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Mr. Yu Ching Ming 余精明先生	Shareholder of the Company 本公司股東
Guangzhou Lanquan Information Technology Co., Ltd. (“Guangzhou Lanquan”) 廣州藍圈信息科技有限公司（「廣州藍圈」）	An entity controlled by Mr. Lu Yuanfeng, one of the Founders, before the entity deregistered at February 7, 2018 該實體於二零一八年二月七日取消註冊前，由陸源峰先生（創辦人之一）控制的實體
Anhui Tips Information Technology Co., Ltd. (“Anhui Tips”) 安徽提普斯網絡科技有限公司（「安徽提普斯」）	An entity was held 15.6% by Mr. Lu Yuanfeng, one of the Founders, before the entity deregistered at May 31, 2018 該實體於二零一八年五月三十一日取消註冊前，由陸源峰先生（創辦人之一）持有15.6%權益的實體
Shenzhen 7Road Technology Co., Ltd. 深圳第七大道科技有限公司	A fellow subsidiary of 7Road International Group Limited, one of the shareholders which has 15.5% equity after the IPO of the Company and significant influence over the Group before December 27, 2018 7Road International Group Limited的同系附屬公司，而7Road International Group Limited為於本公司首次公開發售後擁有本公司15.5%股權的股東之一，於二零一八年十二月二十七日前對本集團行使重大影響力
Shenzhen Qianhai Huanjing Network Technology Co., Ltd. 深圳市前海幻境網絡科技有限公司	A fellow subsidiary of 7Road International Group Limited, one of the shareholders which has 15.5% equity after the IPO of the Company and significant influence over the Group before December 27, 2018 7Road International Group Limited的同系附屬公司，而7Road International Group Limited為於本公司首次公開發售後擁有本公司15.5%股權的股東之一，於二零一八年十二月二十七日前對本集團行使重大影響力
Shanghai Jiying 上海集鷹	Associate of the Group 本集團的聯營公司

29 重大關聯方交易

(a) 關聯方的名稱及與關聯方的關係

下列公司及個人為於截至二零一八年及二零一七年十二月三十一日止年度與本集團有交易及／或結餘的本集團關聯方：



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

29 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Significant transactions with related parties

The following significant transactions were carried out between the Group and its related parties during the year ended December 31, 2018. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

During the year ended December 31, 2018, the following transactions were carried out with related parties:

29 重大關聯方交易（續）

(b) 與關聯方的重大交易

以下重大交易由本集團與其關聯方於截至二零一八年十二月三十一日止年度進行。本公司董事認為，關聯方交易乃於日常業務過程中按本集團與各有關關聯方磋商之條款進行。

於截至二零一八年十二月三十一日止年度，以下交易乃與關聯方進行：

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
License fees and royalty fees charged by related parties:	關聯方收取的許可費及版權費：		
– 7Road	– 第七大道	514,817	(197,381)
– Anhui Tips	– 安徽提普斯	–	14,323
		514,817	(183,058)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

29 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Significant transactions with related parties (Continued)

During the year ended December 31, 2018, the Group paid 7Road USD2,000,000 for game licenses, which was recognised as intangible asset (2017: nil). The amortisation of license fees recognised as intangible asset was USD334,177, and the royalty fees charged by 7Road was USD180,640.

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Royalty fees offset against revenue:	抵銷收入的版權費：		
- 7Road	- 第七大道	2,108,642	3,476,017
- Guangzhou Lanquan	- 廣州藍圈	-	159
		2,108,642	3,476,176

The transactions of royalty fees charged by related parties amounting to USD2,108,642 (2017: USD3,476,176) were deducted from revenue according to revenue recognition (Note 2.20) for the year ended December 31, 2018.

29 重大關聯方交易（續）

(b) 與關聯方的重大交易（續）

於截至二零一八年十二月三十一日止年度，本集團就遊戲許可權向第七大道支付2,000,000美元，並確認為無形資產（二零一七年：無）。確認為無形資產的特許權費用攤銷為334,177美元，而第七大道收取的版權費為180,640美元。

截至二零一八年十二月三十一日止年度，關聯方收取的版權費2,108,642美元（二零一七年：3,476,176美元）已根據收入確認（附註2.20）從收入抵減。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

29 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(c) Key management personnel compensations

The compensations paid or payable to key management personnel (including directors and CEO) for employee services are shown below:

29 重大關聯方交易（續）

(c) 關鍵管理層人員的薪酬

就僱員服務已付或應付關鍵管理層人員（包括董事及首席執行官）的薪酬列示如下：

		Year ended December 31, 截至十二月三十一日止年度	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Wages and salaries	工資及薪金	242,889	374,712
Pension costs – defined contribution plans	養老金成本 – 界定供款計劃	14,514	30,345
Other social security costs, housing benefits and other employee benefits	其他社會保障成本、住房福利及其他僱員福利	18,556	38,781
		275,959	443,838

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

29 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(d) Year-end balances arising from significant transaction with related parties

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
Trade payables to related parties (Note 19):	應付關聯方的貿易應付款項 (附註19)：		
- 7Road	- 第七大道	-	3,324,748
- Guangzhou Lanquan	- 廣州藍圈	-	69,719
		-	3,394,467

The non-executive director of the Company representing 7Road International Group Limited resigned as a director of the Company on December 27, 2018 (Note 33(a)(iv)) and 7Road International Group Limited no longer has significant influence over the Group since that, therefore, 7Road was not related party of the Group thereafter.

The balance represented the payable due to revenue sharing between the Group and related parties for games licensed by related parties.

29 重大關聯方交易（續）

(d) 與關聯方的重大交易產生的年末結餘

代表7Road International Group Limited的本公司非執行董事於二零一八年十二月二十七日辭任本公司董事（附註33(a)(iv)），而7Road International Group Limited自此不再對本集團產生重大影響力，因此第七大道自此不再為本集團的關聯方。

該項結餘是指本集團與關聯方就關聯方授權的遊戲進行收入分攤而產生的應付款項。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

29 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(d) Year-end balances arising from significant transaction with related parties (Continued)

Balances with related parties were unsecured, interest-free and repayable according to agreed credit term.

Prepayments to related party:	向關聯方預付款：
– Shanghai Jiying	– 上海集鷹：

This amount as at December 31, 2018 represented prepaid royalty fee to Shanghai Jiying for a virtual reality game.

Balance with related party was unsecured, interest-free and repayable according to agreed credit term.

(e) Year-end balances arising from operations and capital contributions/distributions

Amount due to related parties (Note 20):	應付關聯方款項（附註20）：
Non-trade	非貿易
– Mr. Yu Ching Ming	– 余精明先生

The balance as at December 31, 2017 mainly represented the unsettled rental payments to related parties. It was settled during the year ended December 31, 2018.

29 重大關聯方交易（續）

(d) 與關聯方的重大交易產生的年末結餘（續）

與關聯方的結餘為無抵押、免息及須按協定信貸條款償還。

As at December 31,	
於十二月三十一日	
2018	2017
二零一八年	二零一七年
USD	USD
美元	美元

該項於二零一八年十二月三十一日的金額是指就一個虛擬實體遊戲向上海集鷹預付的版權費。

與關聯方的結餘為無抵押、免息及須按協定信貸條款償還。

(e) 營運及資本出資／分派產生的年末結餘

As at December 31,	
於十二月三十一日	
2018	2017
二零一八年	二零一七年
USD	USD
美元	美元

於二零一七年十二月三十一日的結餘主要是指應付關聯方的未清償租金。該款項已於截至二零一八年十二月三十一日止年度內清償。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

30 COMMITMENTS

(a) Capital commitments

The Group's capital expenditure contracted for at the end of the year but not yet incurred is as follows:

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
Not later than 1 year	不遲於1年	-	665,099

(b) Operating lease commitments

The Group leases office buildings under non-cancellable operating lease agreements. The lease terms are between 1 years to 9 years.

The Group's future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
Not later than 1 year	不遲於1年	382,279	553,446
Later than 1 year and not later than 2 years	遲於1年但不遲於2年	359,525	375,813
Later than 2 year and not later than 3 years	遲於2年但不遲於3年	364,966	356,611
Later than 3 year and not later than 5 years	遲於3年但不遲於5年	743,499	738,214
Later than 5 years	遲於5年	1,027,041	-
		2,877,310	2,024,084

31 CONTINGENT LIABILITIES

There were no significant contingent liabilities as at December 31, 2018 and 2017.

30 承擔

(a) 資本承擔

本集團於年末已訂約惟尚未產生的資本開支如下：

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
		-	665,099

(b) 經營租賃承擔

本集團根據不可撤銷的經營租賃協議租賃辦公室大樓。租賃期為1年至9年。

本集團根據不可撤銷的經營租賃的未來最低租賃付款總額如下：

		As at December 31, 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		USD 美元	USD 美元
		382,279	553,446
		359,525	375,813
		364,966	356,611
		743,499	738,214
		1,027,041	-
		2,877,310	2,024,084

31 或然負債

於二零一八年及二零一七年十二月三十一日概無重大或然負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY 32 本公司資產負債表及儲備變動

		As at December 31, 於十二月三十一日	
		2018 二零一八年 USD 美元	2017 二零一七年 USD 美元
ASSETS	資產		
Non-current assets	非流動資產		
Financial assets at FVOCI	按公平值計量且其變動計入 其他全面收益的金融資產	2,670,518	-
Investments in subsidiaries	於附屬公司的投資	455,449	455,449
Prepayments	預付款	50,000	50,000
		3,175,967	505,449
Current assets	流動資產		
Amount due from subsidiaries	應收附屬公司款項	20,033,116	10,644,492
Prepayments and other receivables	預付款及其他應收款項	43,987	43,987
Cash and cash equivalents	現金及現金等價物	25,398,071	37,683,982
		45,475,174	48,372,461
Total assets	總資產	48,651,141	48,877,910
EQUITY AND LIABILITIES	權益及負債		
Equity	權益		
Share capital	股本	2,000,000	2,000,000
Shares held for the Share Option Scheme	就購股權計劃持有的股份	(150,000)	(150,000)
Reserves	儲備	38,937,922	36,215,609
(Accumulated losses)/retain earnings	(累計虧損)/保留盈利	(863,570)	2,799,438
Total equity	總權益	39,924,352	40,865,047
Liabilities	負債		
Non-Current liabilities	非流動負債		
Deferred income tax liabilities	遞延所得稅負債	21,339	-
Current liabilities	流動負債		
Amount due to subsidiaries	應付附屬公司款項	8,423,623	5,988,049
Other payables and accruals	其他應付款項及應計費用	281,827	2,024,814
Total liabilities	總負債	8,726,789	8,012,863
Total equity and liabilities	總權益及負債	48,651,141	48,877,910

The balance sheet of the Company was approved by the Board of Directors on March 22, 2019 and was signed on its behalf.

本公司的資產負債表已由董事會於二零一九年三月二十二日批准並代為簽署。

董事
Director

董事
Director

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

32 本公司資產負債表及儲備變動 (續)

(a) Reserve movement of the Company

(a) 本公司的儲備變動

		Retained earnings	Share premium	Share-based payment reserves	Fair value reserves	Reserves
		保留盈利	股份溢價	以股份為基礎 付款儲備	公平值儲備	儲備
		USD	USD	USD	USD	USD
		美元	美元	美元	美元	美元
Balance at January 1, 2018	於二零一八年 一月一日結餘	2,799,438	35,603,166	612,443	–	36,215,609
Losses for the year	年內虧損	(3,663,008)	–	–	–	–
The Share Option Scheme – value of employee services	購股權計劃 – 僱員服務價值	–	–	2,632,741	–	2,632,741
Change in fair value of financial asset at FVOCI	按公平值計量且其變動 計入其他全面收益的 金融資產之公平值變動	–	–	–	89,572	89,572
		(863,570)	35,603,166	3,245,184	89,572	38,937,922
Balance at December 31, 2018	於二零一八年 十二月三十一日結餘					
Balance at January 1, 2017	於二零一七年 一月一日結餘	(2,904,265)	455,249	612,443	–	1,067,692
Profit for the year	年內溢利	5,703,703	–	–	–	–
Capitalisation issue	資本化發行	–	(1,340,000)	–	–	(1,340,000)
Shares issued pursuant to the IPO	根據首次公開發售 發行股份	–	36,487,917	–	–	36,487,917
		2,799,438	35,603,166	612,443	–	36,215,609

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

33 董事福利及利益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規例（第622G章）及香港上市規則所規定的披露）

(a) Directors' and chief executive's emoluments

The remuneration of every director and chief executive for the year ended December 31, 2018 is set out below:

(a) 董事及最高行政人員的酬金

每名董事及最高行政人員於截至二零一八年十二月三十一日止年度的薪酬載列如下：

Name	Salaries(i)	Other social security costs, housing benefits and other employee benefits 其他社會保障成本、住房福利及其他僱員福利	Pension cost-defined contribution plans 養老金成本－界定供款計劃	Total	
姓名	薪金(i) USD 美元	USD 美元	USD 美元	總計 USD 美元	
Executive directors	執行董事				
Mr. Lu Yuanfeng (Note ii)	陸源峰先生（附註ii）	60,324	6,306	4,838	71,468
Mr. Huang Guozhan (Note iii)	黃國湛先生（附註iii）	52,581	6,125	4,838	63,544
Mr. Huang Deqiang (Note v)	黃德強先生（附註v）	52,581	6,125	4,838	63,544
Non-executive Director	非執行董事				
Mr. Meng Shuqi (Note iv)	孟書奇先生（附註iv）	—	—	—	—
Independent Non-executive Directors	獨立非執行董事				
Mr. Darren Raymond Shaw (Note vi)	邵在純先生（附註vi）	25,801	—	—	25,801
Mr. Li Yi Wen (Note vi)	李毅文先生（附註vi）	25,801	—	—	25,801
Ms. Imma Ling Kit-sum (Note vi)	凌潔心女士（附註vi）	25,801	—	—	25,801
		242,889	18,556	14,514	275,959

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

33 董事福利及利益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規例（第622G章）及香港上市規則所規定的披露）（續）

(a) Directors' and chief executive's emoluments (Continued)

The remuneration of every director and chief executive for the year ended December 31, 2017 is set out below:

(a) 董事及最高行政人員的酬金（續）

每名董事及最高行政人員於截至二零一七年十二月三十一日止年度的薪酬載列如下：

Name	Salaries(i)	Other social security costs, housing benefits and other employee benefits 其他社會保障成本、住房福利及其他僱員福利	Pension cost-defined contribution plans 養老金成本—界定供款計劃	Total	
姓名	薪金(i) USD 美元	USD 美元	USD 美元	總計 USD 美元	
Executive directors	執行董事				
Mr. Lu Yuanfeng (Note ii)	陸源峰先生（附註ii）	60,169	6,079	4,339	70,587
Mr. Huang Guozhan (Note iii)	黃國湛先生（附註iii）	52,449	5,723	4,339	62,511
Mr. Huang Deqiang (Note v)	黃德強先生（附註v）	28,241	2,939	2,272	33,452
Non-executive Director	非執行董事				
Mr. Meng Shuqi (Note iv)	孟書奇先生（附註iv）	—	—	—	—
Independent Non-executive Directors	獨立非執行董事				
Mr. Darren Raymond Shaw (Note vi)	邵在純先生（附註vi）	—	—	—	—
Mr. Li Yi Wen (Note vi)	李毅文先生（附註vi）	—	—	—	—
Ms. Imma Ling Kit-sum (Note vi)	凌潔心女士（附註vi）	—	—	—	—
		140,859	14,741	10,950	166,550



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Notes:

- (i) Salary paid to a director is generally an emolument paid or receivable in respect of that person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.
- (ii) Mr. Lu Yuanfeng was appointed as director and re-designated as executive director as well as chief executives of the Company and chairman of the Board on November 24, 2014.
- (iii) Mr. Huang Guozhan was appointed as director and re-designated as an executive director of the Company on November 2, 2015.
- (iv) Mr. Meng Shuqi was appointed as director and re-designated as a non-executive director of the Company on November 2, 2015. Mr Meng resigned as a director of the Company on December 27, 2018 due to personal reasons. He confirmed that there was no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.
- (v) Mr. Huang Deqiang was appointed as director and re-designated as an executive director of the Company on June 28, 2017.
- (vi) Mr. Darren Raymond Shaw, Mr. Li Yi Wen and Ms. Imma Ling Kit-sum were appointed as independent non-executive directors of the Company on November 24, 2017.

During the year ended December 31, 2018, no directors waived or agreed to waive any emoluments (2017: nil).

33 董事福利及利益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規例（第622G章）及香港上市規則所規定的披露）（續）

(a) 董事及最高行政人員的酬金（續）

附註：

- (i) 已付董事的薪金一般是指就該人士在與管理本公司或其附屬公司的事務有關的其他服務而已付或應收的酬金。
- (ii) 陸源峰先生獲委任為董事並於二零一四年十一月二十四日調任為本公司執行董事及首席執行官兼董事會主席。
- (iii) 黃國湛先生獲委任為董事並於二零一五年十一月二日調任為本公司執行董事。
- (iv) 孟書奇先生獲委任為董事並於二零一五年十一月二日調任為本公司非執行董事。由於個人理由，孟先生於二零一八年十二月二十七日辭任本公司董事。孟先生確認與董事會並無分歧，亦無有關本公司事務的事項需要敦請本公司股東注意。
- (v) 黃德強先生獲委任為董事並於二零一七年六月二十八日調任為本公司執行董事。
- (vi) 邵在純先生、李毅文先生及凌潔心女士於二零一七年十一月二十四日獲委任為本公司獨立非執行董事。

於截至二零一八年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金（二零一七年：無）。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by the directors in respect of their services as directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year ended December 31, 2018 (2017: nil).

(c) Directors' termination benefits

During the year ended December 31, 2018, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2017: nil).

(d) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services subsisted at the end of or at any time during the year ended December 31, 2018 (2017: nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of or at any time during the year ended December 31, 2018 (2017: nil).

33 董事福利及利益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規例（第622G章）及香港上市規則所規定的披露）（續）

(b) 董事的退休福利

於截至二零一八年十二月三十一日止年度，並無就作為本公司及其附屬公司董事提供的服務或就與管理本公司或其附屬公司的事務有關的其他服務而已付董事或董事應收的退休福利（二零一七年：無）。

(c) 董事的終止福利

於截至二零一八年十二月三十一日止年度，概無就董事終止服務而直接或間接向董事支付或提供任何款項或福利，亦無任何就此應付的款項或福利（二零一七年：無）。

(d) 就獲提供董事服務向第三方提供的代價

概無就獲提供且於截至二零一八年十二月三十一日止年度結束時或於期間任何時間仍然存在的董事服務而向第三方提供或第三方應收的任何代價（二零一七年：無）。

(e) 有關以董事、該等董事控制的法團及彼等的關連實體為受益人的貸款、類似貸款及其他交易的資料

概無以董事、該等董事控制的法團及彼等的關連實體為受益人的貸款、類似貸款及其他交易於截至二零一八年十二月三十一日止年度結束時或於期間任何時間仍然存在（二零一七年：無）。



Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註（續）

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(f) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended December 31, 2018 (2017: nil), except for the transactions disclosed in Note 29.

33 董事福利及利益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規例（第622G章）及香港上市規則所規定的披露）（續）

(f) 董事於交易、安排或合約的重大權益

概無本公司為參與方及本公司董事於當中有重大權益（不論直接或間接）且與本集團業務有關的其他重大交易、安排及合約於截至二零一八年十二月三十一日止年度結束時或於期間任何時間仍然存在（二零一七年：無），惟附註29所披露的交易除外。



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