



**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

Interim Report 2019

▶▶ 中期報告 2019 ◀◀

* 僅供識別 For identification purposes only

CONTENTS

目錄

| | |
|----|---|
| 2 | DEFINITIONS 釋義 |
| 5 | CORPORATE PROFILE 公司資料 |
| 8 | FINANCIAL HIGHLIGHTS 財務摘要 |
| 9 | FINANCIAL SUMMARY 財務概要 |
| 10 | MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析 |
| 11 | FINANCIAL REVIEW 財務回顧 |
| 16 | SUPPLEMENTARY INFORMATION 補充資料 |
| 29 | REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS 中期財務報表之審閱報告 |
| 31 | CONDENSED CONSOLIDATED BALANCE SHEET 簡明合併資產負債表 |
| 33 | CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 簡明合併全面收益表 |
| 35 | CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明合併權益變動表 |
| 37 | CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 簡明合併現金流量表 |
| 38 | NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 中期簡明合併財務報表附註 |

DEFINITIONS

釋義

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

在本中期報告內，除文義另有規定外，下列詞彙具有以下涵義：

| | |
|--|--|
| “Audit Committee” 「審核委員會」 | the audit committee of the Board 董事會轄下審核委員會 |
| “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” 「企業管治守則」 | 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 interim report and for geographical reference only, excludes Hong Kong, Macau and Taiwan 中華人民共和國，僅就本中期報告及地理提述而言，不包括香港、澳門及台灣 |
| “Company”, “Group”, “we”, “our” or “us” 「公司」、「集團」或「我們」 | Digital Hollywood Interactive Limited (遊萊互動集團有限公司*), a company incorporated under the laws of 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 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 |
| “Director(s)” 「董事」 | the director(s) of our Company or any one of them 本公司董事或其中任何一名董事 |
| “HK\$” or “Hong Kong dollars” 「港元」 | Hong Kong dollars and cents, both are the lawful currency of Hong Kong 香港法定貨幣港元及港仙 |
| “Hong Kong” 「香港」 | the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區 |

DEFINITIONS (Continued)

釋義 (續)

| | |
|--|--|
| “HTML5” 「HTML5」 | Hypertext Markup Language 5 第五版超文本標記語言 |
| “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 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） |
| “Model Code” 「標準守則」 | the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 to the Listing Rules 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” 「提名委員會」 | the nomination committee of the Board 董事會轄下提名委員會 |
| “Post-IPO Share Option Scheme” 「首次公開發售後購股權計劃」 | the share option scheme conditionally adopted by the Company on May 27, 2017 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” 「招股章程」 | the prospectus of the Company dated December 5, 2017 本公司日期為二零一七年十二月五日的招股章程 |
| “Remuneration Committee” 「薪酬委員會」 | the remuneration committee of the Board 董事會轄下薪酬委員會 |
| “Reporting Period” 「報告期」 | six months ended June 30, 2019 截至二零一九年六月三十日止六個月 |

DEFINITIONS (Continued)

釋義（續）

| | |
|---|--|
| “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 經不時修訂、補充或以其他方式修改之證券及期貨條例（香港法例第571章） |
| “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 |
| “%” 「%」 | per cent 百分比 |

* For the identification purposes only

* 僅供識別

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

Independent Non-executive Directors

Mr. Darren Raymond SHAW (*resigned with effect from July 5, 2019*)
Mr. LI Yi Wen
Ms. Imma LING Kit-sum

JOINT COMPANY SECRETARIES

Mr. YU Ching Ming
Ms. NG Wing Yan (*resigned with effect from July 5, 2019*)
Ms. FOK Po Yi (*appointed with effect from July 5, 2019*)

AUTHORISED REPRESENTATIVES

Mr. LU Yuanfeng
Ms. NG Wing Yan (*resigned with effect from July 5, 2019*)
Ms. FOK Po Yi (*appointed on July 5, 2019*)

AUDIT COMMITTEE

Ms. Imma LING Kit-sum (*Chairman*)
Mr. Darren Raymond SHAW (*resigned with effect from July 5, 2019*)
Mr. LI Yi Wen

REMUNERATION COMMITTEE

Mr. LI Yi Wen (*Chairman*)
Mr. Darren Raymond SHAW (*resigned with effect from July 5, 2019*)
Mr. LU Yuanfeng

NOMINATION COMMITTEE

Mr. LU Yuanfeng (*Chairman*)
Mr. Darren Raymond SHAW (*resigned with effect from July 5, 2019*)
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

獨立非執行董事

邵在純先生 (*已於二零一九年七月五日辭任*)
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 (*已於二零一九年七月五日辭任*)
霍寶兒女士 (*自二零一九年七月五日起獲委任*)

授權代表

陸源峰先生
伍穎欣女士 (*已於二零一九年七月五日辭任*)
霍寶兒女士 (*自二零一九年七月五日起獲委任*)

審核委員會

凌潔心女士 (*主席*)
邵在純先生 (*已於二零一九年七月五日辭任*)
李毅文先生

薪酬委員會

李毅文先生 (*主席*)
邵在純先生 (*已於二零一九年七月五日辭任*)
陸源峰先生

提名委員會

陸源峰先生 (*主席*)
邵在純先生 (*已於二零一九年七月五日辭任*)
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
2/F, 673 Nathan Road
Mong Kok, Kowloon
Hong Kong

BBVA Compass Bank
Plaça de Tetuan, 26
08010, Barcelona
Spain

核數師

羅兵咸永道會計師事務所
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2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
香港
九龍旺角
彌敦道673號2樓

BBVA Compass Bank
Plaça de Tetuan, 26
08010, Barcelona
西班牙

CORPORATE PROFILE (Continued)

公司資料（續）

HONG KONG LEGAL ADVISER

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

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

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

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心54樓

STOCK CODE AND BOARD LOT

Stock code: 2022
Board lot: 4,000

股份代號及每手買賣單位

股份代號：2022
每手買賣單位：4,000

WEBSITE

www.gamehollywood.com

網站

www.gamehollywood.com

FINANCIAL HIGHLIGHTS

財務摘要

Revenue for the Reporting Period amounted to approximately US\$9.0 million, representing a decrease of 36.2% from approximately US\$14.1 million for the corresponding period in 2018.

Gross profit for the Reporting Period amounted to approximately US\$4.1 million, representing a decrease of 50.0% from approximately US\$8.2 million for the corresponding period in 2018.

Non-IFRS adjusted loss attributable to owners of the Company for the Reporting Period amounted to approximately US\$3.9 million, as compared to non-IFRS adjusted profit attributable to owners of the Company of approximately US\$3.3 million for the corresponding period in 2018.

Loss attributable to owners of the Company for the Reporting Period amounted to approximately US\$4.8 million, as compared to profit attributable to owners of the Company of approximately US\$2.2 million for the corresponding period in 2018.

報告期的收入約為9.0百萬美元，較二零一八年同期錄得的約14.1百萬美元減少36.2%。

報告期的毛利約為4.1百萬美元，較二零一八年同期錄得的約8.2百萬美元減少50.0%。

於報告期，本公司擁有人應佔非國際財務報告準則經調整虧損約為3.9百萬美元，而二零一八年同期則錄得本公司擁有人應佔非國際財務報告準則經調整溢利約3.3百萬美元。

於報告期，本公司擁有人應佔虧損約為4.8百萬美元，而二零一八年同期則錄得本公司擁有人應佔溢利約2.2百萬美元。

FINANCIAL SUMMARY

財務概要

For the six months ended June 30

截至六月三十日六個月

2019

2018

二零一九年

二零一八年

US\$'000

US\$'000

千美元

千美元

| | | | |
|--|--|-----------------|---------------------|
| Revenue | 收入 | 8,959 | 14,104 |
| Gross profit | 毛利 | 4,098 | 8,183 |
| Profit before income tax | 除所得稅前溢利 | (4,557) | 3,200 |
| Income tax expense | 所得稅開支 | 218 | 1,005 |
| (Loss)/Profit for the period | 期內(虧損)/溢利 | (4,775) | 2,194 |
| (Loss)/Profit attributable to: | 以下應佔(虧損)/溢利: | | |
| Owners of the Company | 本公司擁有人 | (4,775) | 2,194 |
| Non-Controlling interests | 非控股權益 | - | - |
| Non-IFRS adjusted loss/profit attributable to owners of the Company ⁽¹⁾ | 本公司擁有人應佔非國際財務報告準則經調整虧損/溢利 ⁽¹⁾ | (3,895) | 3,313 |
| | | As at | As at |
| | | June 30, | December 31, |
| | | 2019 | 2018 |
| | | 於二零一九年 | 於二零一八年 |
| | | 六月三十日 | 十二月三十一日 |
| | | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 |
| Total assets | 總資產 | 60,693 | 63,731 |
| Total liabilities | 總負債 | 11,997 | 10,454 |
| Equity attributable to the owners of the company | 本公司擁有人應佔權益 | 48,696 | 53,277 |

(1) Non-IFRS adjusted loss/profit attributable to owners of the Company was derived from the loss/profit for the period, excluding 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虧損/溢利乃從期內虧損/溢利計算得出，不包括本公司的以股份為基礎付款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW AND FUTURE PROSPECTS

For the Reporting Period, due to changes in the Chinese game market and regulatory environment, the supply of game products from China complying with relevant laws and regulations and available to the Group for release in the overseas markets decreased dramatically, which limited the number of the Group's new game releases in the overseas markets and in turn imposed an adverse effect on the Group's financial performance.

In the face of a complex and changing market environment, we insisted on taking the advantage of global distribution. With respect to our products, the English versions of *Legend of Warships* (a naval battle strategic game) and *Eternal Fury 2* (a massively multiple online role-play game), both of which are hardcore and select HTML5 games, were launched globally in 2019. Going forward, the Group will launch more HTML5 games and release HTML5 games in more countries and regions.

Looking forward, we will continue to extend our game portfolio, insist on the philosophy of "focusing on products' long lifecycle", and maintain continuous operation with long-term data flow. At the same time, the Group will continue to improve the layout of HTML5 games and take advantage of our global distribution. We will deepen our involvement in the HTML5 game distribution markets and cooperate closely with our outstanding business partners in research and development, distribution and promotion in the global HTML5 field, to vigorously enlarge our market shares in emerging markets for HTML5 games and further strengthen our leading position in overseas distribution.

業務回顧和未來展望

於報告期，因中國遊戲市場及監管環境變化，可供本集團用於海外市場發行的、來自中國的合規遊戲產品供應大幅減少，導致本集團在海外市場的新遊戲發行受限，對本集團財務業績造成不利影響。

面對複雜多變的市場環境，我們堅持發揮自身全球發行領域的優勢。遊戲產品方面，海上戰鬥策略遊戲*Legend of Warships*、大型多人網絡角色扮演遊戲*Eternal Fury 2*等精品重度HTML5遊戲的英文版本已經於今年內在 global 範圍上線。集團後續將會推出更多HTML5遊戲產品，面向更多國家和地區發行。

展望未來，我們將繼續擴充遊戲組合，堅持產品長生命週期理念，用長線流量持續運營，同時，順應全球遊戲技術發展潮流，本集團將繼續完善HTML5遊戲的佈局，充分發揮自身全球發行領域的優勢，深化HTML5遊戲發行市場的開拓，與全球HTML5領域優秀的研發、發行及推廣等商業夥伴緊密合作，大力增加我們在HTML5遊戲新興市場的市場份額，進一步鞏固我們在海外發行領域的領先地位。

FINANCIAL REVIEW

財務回顧

OVERVIEW

Non-IFRS adjusted loss attributable to owners of the Company for the Reporting Period amounted to approximately US\$3.9 million, as compared to non-IFRS adjusted profit attributable to owners of the Company of approximately US\$3.3 million for the corresponding period in 2018. Loss attributable to owners of the Company for the Reporting Period amounted to approximately US\$4.8 million, as compared to profit attributable to owners of the Company of approximately US\$2.2 million for the corresponding period in 2018.

REVENUE

During the Reporting Period, revenue of the Group amounted to approximately US\$9.0 million, representing a decrease of approximately US\$5.1 million or 36.2% as compared with approximately US\$14.1 million for the corresponding period in 2018. The decrease in revenue was mainly due to the reasons that (i) certain games entered into the mature stage of their lifecycles and generated less revenue than that of the corresponding period in 2018; (ii) certain newly launched games of the Group failed to achieve the expected performance level; and (iii) the revenue of a one-off licensing fees amounting US\$2.6 million was recognized for the corresponding period in 2018 while there was no such one-off licensing fees recognised for the Reporting Period.

COST OF REVENUE AND GROSS PROFIT MARGIN

For the Reporting Period, cost of revenue of the Group amounted to approximately US\$4.9 million, representing a decrease of approximately US\$1.0 million or 16.9% as compared with approximately US\$5.9 million for the corresponding period in 2018. The resulting gross profit margin decreased to 45.6% in 2019 from 58.0% for the corresponding period in 2018.

概覽

於報告期，本公司擁有人應佔非國際財務報告準則經調整虧損約為3.9百萬美元，而二零一八年同期則錄得本公司擁有人應佔非國際財務報告準則經調整溢利約3.3百萬美元。於報告期，本公司擁有人應佔虧損約為4.8百萬美元，而二零一八年同期則錄得本公司擁有人應佔溢利2.2百萬美元。

收入

於報告期，本集團收入約為9.0百萬美元，較二零一八年同期的約14.1百萬美元減少約5.1百萬美元或36.2%。收入減少，主要是由於(i)若干遊戲已踏入生命週期的成熟期，所產生收入較二零一八年同期為少；(ii)本集團若干新推出遊戲未能達到預期表現水平；及(iii)於二零一八年同期確認一次性的授權金收入2.6百萬美元，而報告期並無確認該一次性的授權金。

收入成本及毛利率

於報告期，本集團的收入成本約為4.9百萬美元，較二零一八年同期的約5.9百萬美元減少約1.0百萬美元或16.9%。毛利率則由二零一八年同期的58.0%下跌至二零一九年的45.6%。

FINANCIAL REVIEW (Continued)

財務回顧 (續)

OTHER GAINS, NET

For the Reporting Period, other gains of the Group amounted to approximately US\$0.1 million, representing a decrease of approximately US\$0.4 million or 80.0% as compared with approximately US\$0.5 million for the corresponding period in 2018. The decrease in other gains was mainly due to recognition of a one-off other gain from termination of a licensing agreement for the corresponding period in 2018.

SELLING AND MARKETING EXPENSES

For the Reporting Period, selling and marketing expenses of the Group amounted to approximately US\$1.9 million, representing a decrease of approximately US\$0.7 million or 26.9% from approximately US\$2.6 million for the corresponding period in 2018, primarily due to a decrease in advertising and promotion expenses.

ADMINISTRATIVE EXPENSES

For the Reporting Period, administrative expenses of the Group amounted to approximately US\$5.4 million, which represents an increase of approximately US\$3.4 million or 170.0% from approximately US\$2.0 million for the corresponding period in 2018. The increase in administrative expenses for the Reporting Period was mainly due to: (i) impairment loss arising from the balances due from the Group's customers; and (ii) write-down of prepaid license fees and prepayments for certain newly launched games of the Group, which failed to achieve the expected performance level.

RESEARCH AND DEVELOPMENT EXPENSES

For the Reporting Period, research and development expenses of the Group amounted to approximately US\$0.7 million, representing an increase of approximately US\$0.1 million or 16.7% as compared with approximately US\$0.6 million for the corresponding period in 2018. The increase in research and development expenses for the Reporting Period was mainly due to greater staff cost because of more new games under development.

IMPAIRMENT OF INVESTMENT IN AN ASSOCIATE

For the Reporting Period, impairment of investment in an associate of the Group amounted to approximately US\$0.7 million, which was nil for the corresponding period in 2018. The impairment of investment in an associate for the Reporting Period was mainly due to the reason that the Group did not anticipate any future cash flow generated from the investment in an associate as the entity has substantially wound down its operations.

其他收益淨額

於報告期，本集團的其他收益約為0.1百萬美元，較二零一八年同期的約0.5百萬美元減少約0.4百萬美元或80.0%。其他收益減少，主要由於二零一八年同期終止特許權協議而確認一次性的其他收益所致。

銷售及營銷開支

於報告期，本集團的銷售及營銷開支約為1.9百萬美元，較二零一八年同期的約2.6百萬美元減少約0.7百萬美元或26.9%，主要由於廣告及推廣費用減少。

行政開支

於報告期，本集團的行政開支約為5.4百萬美元，較二零一八年同期約2.0百萬美元增加約3.4百萬美元或170.0%。報告期的行政開支增加，主要由於：(i) 應收本集團客戶款項結餘所產生之減值虧損；及(ii) 本集團若干新上線遊戲因未能達到預期水準，已支付的特許費及預付分成撇清。

研發開支

於報告期，本集團的研發開支約為0.7百萬美元，較二零一八年同期的約0.6百萬美元增加約0.1百萬美元或16.7%。報告期研發開支的增加主要是由於開發更多新遊戲令員工成本上升所致。

於聯營公司的投資減值

於報告期，本集團於聯營公司的投資減值約為0.7百萬美元，而於二零一八年同期並無有關減值。於報告期於聯營公司的投資減值，主要歸因於有關實體已大幅縮減經營規模，故本集團並不預計會從於聯營公司的投資產生任何未來現金流量。

FINANCIAL REVIEW (Continued)

財務回顧（續）

LOSS/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the Reporting Period, loss attributable to owners of the Company amounted to approximately US\$4.8 million, as compared to profit attributable to owners of the Company of approximately US\$2.2 million for the corresponding period in 2018. The change of position was mainly due to the following reasons: (i) due to the changes of the Chinese game market and regulatory environment, the supply of the game products from China complying with relevant laws and regulations and available to the Group for release in the overseas markets decreased dramatically in the Reporting Period, which limited the number of the Group's new game releases in the overseas markets and in turn imposed an adverse effect on the Group's financial performance; (ii) impairment loss arising from the balances due from the Group's customers and the Group's investment in an associate; and (iii) write-down of prepaid license fees and prepayments for certain newly launched games of the Group, which failed to achieve the expected performance level.

NON-IFRS ADJUSTED LOSS/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

To supplement this interim report which is presented in accordance with the IFRS, we also use unaudited 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.

For the Reporting Period, non-IFRS adjusted loss attributable to owners of the Company amounted to approximately US\$3.9 million, as compared to non-IFRS adjusted profit attributable to owners of the Company of approximately US\$3.3 million for the corresponding period in 2018. Our non-IFRS adjusted loss/profit attributable to owners of the Company for the Reporting Period and the corresponding period of 2018 was calculated according to the loss/profit attributable to the owners of the Company for the period, excluding share-based payments of approximately US\$0.9 million for the Reporting Period and approximately US\$1.1 million for the corresponding period of 2018. The reasons for the change of position were elaborated in the sub-section headed "Loss/profit attributable to owners of the Company" above.

本公司擁有人應佔虧損／溢利

於報告期，本公司擁有人應佔虧損約為4.8百萬美元，而二零一八年同期則錄得本公司擁有人應佔溢利約2.2百萬美元。此狀況的變化，主要因以下理由所致：(i)因中國遊戲市場及監管環境變化，於報告期，可供本集團用於海外市場發行的、來自於中國的合規遊戲產品供應大幅減少，導致本集團在海外市場的新遊戲發行受限，對本集團的財務業績造成不利影響；(ii)本集團的應收客戶款項及於聯營公司的投資之減值虧損；及(iii)本集團若干新上線遊戲因未能達到預期水準，已支付的特許費及預付分成撇清。

本公司擁有人應佔非國際財務報告準則經調整虧損／溢利

為補充此份根據國際財務報告準則呈列的中期報告，我們亦使用本公司擁有人應佔未經審核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。

於報告期，本公司擁有人應佔非國際財務報告準則經調整虧損約為3.9百萬美元，而二零一八年同期則錄得本公司擁有人應佔非國際財務報告準則經調整溢利約3.3百萬美元。我們於報告期及二零一八年同期的本公司擁有人應佔非國際財務報告準則經調整虧損／溢利乃根據期內本公司擁有人應佔虧損／溢利計算得出，而不包括報告期的以股份為基礎付款約0.9百萬美元及二零一八年同期的約1.1百萬美元。此狀況變化之原因已在上文「本公司擁有人應佔虧損／溢利」分節內闡釋。

FINANCIAL REVIEW (Continued)

財務回顧（續）

INCOME TAX EXPENSE

For the Reporting Period, income tax expense of the Group amounted to approximately US\$0.2 million, representing a decrease of approximately US\$0.8 million or 80.0% as compared with approximately US\$1.0 million for the corresponding period in 2018. The decrease in income tax expense was primarily due to the decrease of assessable profit.

LIQUIDITY AND SOURCE OF FUNDING AND BORROWING

As at June 30, 2019, the Group's total bank balances and cash amounted to approximately US\$25.4 million, representing a decrease of approximately 22.1% as compared with approximately US\$32.6 million as at December 31, 2018. The decrease in total bank balances and cash during the Reporting Period was primarily resulted from decrease in revenue income and prepaid royalty fees of new games.

As at June 30, 2019, current assets of the Group amounted to approximately US\$48.7 million, including bank balances and cash of approximately US\$25.4 million and other current assets of approximately US\$23.3 million. Current liabilities of the Group amounted to approximately US\$10.0 million, including trade payables and contract liabilities of approximately US\$7.1 million and other current liabilities of approximately US\$2.9 million. As at June 30, 2019, the current ratio (the current assets to current liabilities ratio) of the Group was 4.9, as compared with 5.0 as at December 31, 2018.

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group does not have any bank borrowings and other debt financing obligations as at June 30, 2019 and the resulting gearing ratio is nil (as at December 31, 2018: nil). The Group intends to finance the expansion, investments and business operations with internal resources.

MATERIAL INVESTMENTS

The Group did not have any new material investment during the Reporting Period.

MATERIAL ACQUISITIONS

The Group did not have any material acquisitions for the Reporting Period.

所得稅開支

於報告期，本集團所得稅開支約為0.2百萬美元，較二零一八年同期的約1.0百萬美元減少約0.8百萬美元或80.0%。所得稅開支減少主要因應課稅溢利減少所致。

流動資金及融資和借款來源

於截至二零一九年六月三十日止，本集團的銀行結餘及現金總額約為25.4百萬美元，較二零一八年十二月三十一日的約32.6百萬美元減少約22.1%。報告期內銀行結餘及現金總額減少，主要由於收入減少及新遊戲的預付版權費所致。

於截至二零一九年六月三十日止，本集團的流動資產約為48.7百萬美元，包括銀行結餘及現金約25.4百萬美元以及其他流動資產約23.3百萬美元。本集團的流動負債約為10.0百萬美元，包括貿易應付款項及合約負債約7.1百萬美元以及其他流動負債約2.9百萬美元。於截至二零一九年六月三十日，本集團的流動比率（按流動資產除以流動負債計算）為4.9，而於二零一八年十二月三十一日則為5.0。

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。本集團於二零一九年六月三十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（於二零一八年十二月三十一日：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

本集團於報告期並無任何新進行的重大投資。

重大收購

本集團於報告期並無任何重大收購。

FINANCIAL REVIEW (Continued)

財務回顧（續）

MATERIAL DISPOSALS

The Group did not have any material disposals of subsidiaries or associated companies for the Reporting Period.

PLEDGE OF ASSETS

As at June 30, 2019, none of the Group's assets was pledged (as at December 31, 2018: nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at June 30, 2019 (as at December 31, 2018: nil).

FOREIGN EXCHANGE EXPOSURE

As at June 30, 2019, the Group mainly operated in the global market and majority of its transactions were settled in U.S. dollars, being the functional currency 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 not significant. As at June 30, 2019, the Group did not have significant foreign currency exposure from its operations.

重大出售

本集團於報告期並無任何有關附屬公司或聯營公司的重大出售。

資產抵押

本集團於截至二零一九年六月三十日止並無任何資產作抵押（於二零一八年十二月三十一日：無）。

或然負債

本集團於截至二零一九年六月三十日止並無重大或然負債（於二零一八年十二月三十一日：無）。

外匯風險

於截至二零一九年六月三十日止，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不大。於截至二零一九年六月三十日止，本集團並無因其營運而面對重大外幣風險。

SUPPLEMENTARY INFORMATION

補充資料

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 Reporting Period, 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\$21.9 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 the second half of 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）。於報告期，上市所得款項淨額已根據本公司招股章程「未來計劃及所得款項用途」一節所載擬定用途使用，款項結餘為約21.9百萬美元。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。二零一九年下半年，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：

| | | Net amount available as at December 31, 2017 | Actual net amount utilized during the year ended December 31, 2018 | Actual net amount utilized during the Reporting Period | Unutilized amount as at June 30, 2019 |
|---|---------------|--|--|---|--|
| | | 截至 二零一七年 十二月 三十一日 可供動用淨額 USD'000 千美元 | 截至 二零一八年 十二月 三十一日 年度實際 使用淨額 USD'000 千美元 | 於本報告 期內實際 使用淨額 USD'000 千美元 | 截至 二零一九年 六月三十日 尚未使用金額 USD'000 千美元 |
| Investment | 投資 | 14,166.1 | 421.0 | 6,308.3 | 7,436.8 |
| Development and research | 開發與研究 | 8,853.8 | 780.3 | 755.6 | 7,317.9 |
| Expansion of online game business | 網絡遊戲業務拓展 | 5,312.3 | 1,084.5 | 796.1 | 3,431.7 |
| Marketing and advertisement | 營銷及宣傳 | 3,541.5 | 1,625.3 | 1,002.7 | 913.5 |
| Working capital and other general corporate purposes | 營運資金及其他一般企業用途 | 3,541.5 | 501.3 | 273.7 | 2,766.5 |
| Total | 總計 | 35,415.2 | 4,412.4 | 9,136.4 | 21,866.4 |

SUPPLEMENTARY INFORMATION (Continued)

補充資料（續）

HUMAN RESOURCES

As at June 30, 2019, the Group had 188 employees (December 31, 2018: 182), 57 of which were responsible for game development and maintenance, 80 for game operation and offline events organization, 51 for general administration and corporate management. The total remuneration expenses, excluding share-based compensation expense, for the Reporting Period were US\$2.0 million, representing an increase of 25.0% as compared to the corresponding period in 2018. 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. The Group 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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period.

人力資源

於二零一九年六月三十日，本集團聘有188名僱員（二零一八年十二月三十一日：182名），其中57名負責遊戲開發及維護，80名負責遊戲營運及線下活動統籌，而51名負責行政及企業管理。報告期的總薪酬開支（不包括以股份為基礎薪酬開支）約為2.0百萬美元，較二零一八年同期增加25.0%。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。本集團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。

中期股息

董事會已議決不宣派報告期之任何中期股息。

SUPPLEMENTARY INFORMATION (Continued)

補充資料 (續)

CORPORATE GOVERNANCE PRACTICES

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 as set out in the CG Code as its own code of 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 Reporting Period, 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 two independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Upon the resignation of Mr. Darren Raymond SHAW as an independent non-executive Director with effect from July 5, 2019, (i) the Board comprises only three executive Directors and two independent non-executive Directors; and (ii) there are only two members in each of the Audit Committee, Remuneration Committee and Nomination Committee (collectively, the “**Board Committees**”). Therefore, the composition of the Board and the Board Committees does not meet the requirements under Rule 3.10(1), Rule 3.21 and Rule 3.25 of the Listing Rules and Code Provision A.5.1 of the CG Code. The Company will identify a suitable candidate for the position of independent non-executive Director as well as members of each of the Board Committees within three months from the effective date of the resignation of Mr. Darren Raymond SHAW to comply with the requirements of Rule 3.10(1), Rule 3.21, Rule 3.25 of the Listing Rules and Code Provision A.5.1 under the CG Code.

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

企業管治常規

本公司確認，良好的企業管治對於增強本公司的管理及保障股東的整體利益而言意義重大。本公司已採納企業管治守則所載的守則條文，以作為本身規管其企業管治的守則。

董事認為，於報告期內，本公司已遵守企業管治守則所載相關守則條文，惟企業管治守則的守則條文第A.2.1條有所偏離除外。

根據企業管治守則的守則條文第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。高級管理層及董事會（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）及兩名獨立非執行董事組成，因此其組成具有頗強的獨立元素。

於邵在純先生自二零一九年七月五日退任獨立非執行董事後，(i)董事會僅包括三名執行董事及兩名獨立非執行董事；及(ii)審核委員會、薪酬委員會及提名委員會（統稱「**董事委員會**」）均只有兩名成員。因此，董事會及董事委員會的組成不符合上市規則第3.10(1)、3.21及3.25條及企業管治守則的守則條文第A.5.1條之規定。本公司將於邵在純先生辭任的生效日期起計三個月內，物色適合人選出任獨立非執行董事以及各董事委員會的成員，以符合上市規則第3.10(1)、3.21及3.25條及企業管治守則的守則條文第A.5.1條之規定。

為維持高標準的企業管治，董事會將不斷檢討及監察本公司的慣例。

SUPPLEMENTARY INFORMATION (Continued)

補充資料（續）

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Audit Committee, comprising Ms. Imma LING Kit-sum and Mr. LI Yi Wen, has discussed with the management and the external auditor and reviewed the unaudited interim condensed consolidated financial information of the Group for the Reporting Period and confirms that the applicable accounting principles, standards and requirements have been compiled with, and that adequate disclosures have been made.

Auditor

In addition, the Company's external auditor, PricewaterhouseCoopers, has performed an independent review of the Group's unaudited interim condensed consolidated financial information for the Reporting Period in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity".

證券交易之標準守則

本公司已採納標準守則，以作為本公司的董事及本集團高級管理層（彼等因有關職位或受僱工作而可能擁有有關本公司或其證券之內幕消息）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報告期已遵守標準守則。此外，本公司並未獲悉本集團高級管理層於報告期有任何不遵守標準守則之情況。

購買、出售或贖回本公司上市股份

於報告期，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

審閱財務資料

審核委員會

審核委員會（成員為凌潔心女士及李毅文先生）已與管理層及外聘核數師進行討論，並審閱本集團於報告期之未經審核中期簡明合併財務資料，確認已遵守適用的會計原則、準則及規定以及已作出適當披露。

核數師

此外，本公司的外聘核數師羅兵咸永道會計師事務所已根據國際審閱應聘服務準則第2410號「實體的獨立核數師對中期財務資料的審閱」對本集團於報告期的未經審核中期簡明合併財務資料進行獨立審閱。

SUPPLEMENTARY INFORMATION (Continued)

補充資料（續）

CHANGES IN MEMBERS OF THE BOARD AND/OR UPDATE ON DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

During the Reporting Period, there was no change in members of the Board and/or update on the Directors' information.

Subsequent to the Reporting Period, on July 5, 2019, Mr. Darren Raymond SHAW resigned as an independent non-executive Director, and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee, as he wishes to devote more time in his other commitments. Details of such changes are set out in the announcement of the Company dated July 5, 2019.

Save as disclosed above, there was no change in members of the Board and/or update on Directors' information pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

董事會成員變動及／或根據上市規則第13.51B(1)條對董事資料的更新

於報告期內，概無董事會成員變動及／或對董事資料的更新。

於報告期後，由於邵在純先生欲投放更多時間於其個人的其他事務，因此邵先生於二零一九年七月五日已辭任獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各自之成員。有關變動詳情載於本公司日期為二零一九年七月五日之公告。

除上文披露者外，概無董事會成員變動及／或根據上市規則第13.51B(1)條對董事資料的更新。

根據上市規則之持續披露責任

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。

SUPPLEMENTARY INFORMATION (Continued)

補充資料 (續)

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at June 30, 2019, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or 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

於二零一九年六月三十日，本公司董事及行政總裁於本公司或其相聯法團（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 Director | Nature of Interest | Number of ordinary shares interested ⁽¹⁾ 擁有權益的普通股數 ⁽¹⁾ | Approximate percentage of the Company's total issued share capital 佔本公司已發行總股本的概約百分比 |
|--|--|---|--|
| 董事姓名 | 權益性質 | | |
| 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 ⁽⁴⁾ 黃德強先生 ⁽⁴⁾ | 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% |

SUPPLEMENTARY INFORMATION (Continued)

補充資料 (續)

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 (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 corporations

於相聯法團的權益

| Name of Director | Associated Corporation | Capacity/nature of interest | Number of Shares | Approximate percentage of shareholding interest |
|----------------------------|--|-----------------------------|------------------|---|
| 董事姓名 | 相關法團 | 身份／權益性質 | 股份數目 | 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 June 30, 2019, LYF Digital Holdings Limited, LXT Digital Holdings Limited and HDQ Digital Holdings Limited will hold 27.64%, 2.85% and 4.91% of our issued share capital 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」。於二零一九年六月三十日，LYF Digital Holdings Limited、LXT Digital Holdings Limited 及HDQ Digital Holdings Limited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。

SUPPLEMENTARY INFORMATION (Continued)

補充資料 (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 June 30, 2019, 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

As at June 30, 2019, the following corporations/persons had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Long position in ordinary Shares

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，於二零一九年六月三十日，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

按本公司根據證券及期貨條例第336條須存置的登記冊所載，於二零一九年六月三十日，以下法團／人士擁有本公司5%或以上已發行股份之權益：

普通股的好倉

| 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 total issued share capital 佔本公司已發行總股本的概約百分比 |
|--|---|--|--|
| 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 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% |
| 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% |

SUPPLEMENTARY INFORMATION (Continued)

補充資料（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 total issued share capital 佔本公司已發行總股本的概約百分比 |
|---|---|--|--|
| 股東姓名 | 權益性質 | | |
| Angel Age Limited | Beneficial owner; interests held jointly with another person | 947,958,387 (L) | 47.40% |
| Angel Age Limited | 實益擁有人；與另一人士共同持有的權益 | | |
| Mr. HUANG Guozhan ⁽⁴⁾ | Interest in a controlled corporation; interest held jointly with another person | 947,958,387 (L) | 47.40% |
| 黃國湛先生 ⁽⁴⁾ | 受控制法團權益；與另一人士共同持有的權益 | | |
| LXT Digital Holdings Limited | Beneficial owner; interests held jointly with another person | 947,958,387 (L) | 47.40% |
| LXT Digital Holdings Limited | 實益擁有人；與另一人士共同持有的權益 | | |
| Mr. HUANG Deqiang ⁽⁵⁾ | Interest in a controlled corporation; interest held jointly with another person | 947,958,387 (L) | 47.40% |
| 黃德強先生 ⁽⁵⁾ | 受控制法團權益；與另一人士共同持有的權益 | | |
| HDQ Digital Holdings Limited | Beneficial owner; interests held jointly with another person | 947,958,387 (L) | 47.40% |
| HDQ Digital Holdings Limited | 實益擁有人；與另一人士共同持有的權益 | | |
| 7Road Holdings Limited ⁽⁶⁾ | Interest in a controlled corporation | 310,496,901 (L) | 15.52% |
| 第七大道控股有限公司 ⁽⁶⁾ | 受控制法團權益 | | |
| 7Road International Group Limited | Beneficial owner | 310,496,901 (L) | 15.52% |
| 7Road International Group Limited | 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 ⁽⁷⁾ | Nominee for another person | 149,999,973 (L) | 7.50% |
| Epic City Limited ⁽⁷⁾ | 另一人士的代名人 | | |

SUPPLEMENTARY INFORMATION (Continued)

補充資料 (續)

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.
- (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.
- (6) Under the SFO, 7Road Holdings Limited is deemed to be interested in all Shares held by 7Road International Group Limited, a company wholly owned by 7Road Holdings Limited.
- (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.

Save as disclosed above and to the best knowledge of the Directors, as at June 30, 2019, no person had registered an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

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。陸先生亦被視為為於(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於(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。
- (5) 根據證券及期貨條例，黃德強先生被視為為於(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) 根據證券及期貨條例，第七大道控股有限公司被視為為於7Road International Group Limited (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 (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。

除上文所披露者外，就董事所深知，於二零一九年六月三十日按本公司根據證券及期貨條例第336條須存置的登記冊所記錄，並無任何人士登記本公司股份或相關股份之權益或淡倉。

SUPPLEMENTARY INFORMATION (Continued)

補充資料 (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 (the “Options”) pursuant to the terms of the Post-IPO Share Option Scheme 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 (the “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 (the “Nominee”), a wholly-owned subsidiary of the Trustee. The Trustee shall act in accordance and cooperate with the Board for the purpose of the Post-IPO Share Option Scheme. The 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 (the “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。

SUPPLEMENTARY INFORMATION (Continued)

補充資料（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 Post-IPO 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 (the “Exercise Price”) shall be such price as determined by the 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 new 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 existing 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 Option Scheme has been set out in the section headed “D. Share Incentive Scheme” in Appendix IV of the Prospectus.

On February 15, 2018, the Board approved to grant Options under 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.

於任何12個月期間，因行使根據首次公開發售後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新股份，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，現有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計劃條款之概要載於招股章程附錄四「D. 股份獎勵計劃」一節。

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。

SUPPLEMENTARY INFORMATION (Continued)

補充資料 (續)

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 existing Shares held by the Nominee 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 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 the date of this interim report.

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 six months ended June 30, 2019 are set out below:

| Outstanding as at January 1, 2019 於二零一九年 一月一日 尚未行使 | Exercised during the period 已於期內行使 | Cancelled during the period 已於期內註銷 | Lapsed during the period 已於期內失效 | Outstanding as at June 30, 2019 於二零一九年 六月三十日 尚未行使 | Exercise Price 行使價 |
|---|---|---|--|---|---|
| 42,655,123 | 0 | 0 | (212,758) | 42,442,365 | HK\$0.0074 or US\$0.0074 0.0074港元或0.0074美元 |

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代名人持有的現有股份滿足，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%。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17章規管。

自首次公開發售後購股權計劃採納後及直至本中期報告，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。於截至二零一九年六月三十日止六個月，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：

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

中期財務報表之審閱報告

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

INTRODUCTION

We have reviewed the interim financial statements set out on pages 31 to 76, which comprises the condensed consolidated balance sheet of Digital Hollywood Interactive Limited (the “Company”) and its subsidiaries (together, the “Group”) as at June 30, 2019 and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” issued by the International Auditing and Assurance Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial statements Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

致遊萊互動集團有限公司董事會
(於開曼群島註冊成立之有限公司)

引言

本核數師（以下簡稱「我們」）已審閱列載於第31至76頁的中期財務報表，此中期財務報表包括遊萊互動集團有限公司（「貴公司」）及其附屬公司（以下合稱「貴集團」）於二零一九年六月三十日的簡明合併資產負債表與截至該日止六個月的簡明合併全面收益表、簡明合併權益變動表及簡明合併現金流量表，以及主要會計政策概要及其他解釋附註。香港聯合交易所有限公司證券上市規則規定，就中期財務報表編製的報告必須符合以上規則的有關條文以及國際審計及鑒證準則理事會頒佈的國際會計準則第34號「中期財務報告」。貴公司董事須負責根據國際會計準則第34號「中期財務報告」編製及列報該等中期財務報表。我們的責任是根據我們的審閱對該等中期財務報表作出結論，並按照委聘之條款僅向整體董事會報告，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。

審閱範圍

我們已根據國際審計及鑒證準則理事會頒佈的國際審閱委聘準則第2410號「由實體的獨立核數師執行中期財務報表審閱」進行審閱。審閱中期財務報表包括主要向負責財務及會計事務的人員作出查詢，及應用分析性及其他審閱程序。審閱的範圍遠較根據國際審計準則進行審核的範圍為小，故不能令我們可保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS (Continued)

中期財務報表之審閱報告(續)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong
August 30, 2019

結論

按照我們的審閱，我們並無發現任何事項，令我們相信中期財務報表在各重大方面未有根據國際會計準則第34號「中期財務報告」編製。

羅兵咸永道會計師事務所
執業會計師

香港
二零一九年八月三十日

CONDENSED CONSOLIDATED BALANCE SHEET

簡明合併資產負債表

As at June 30, 2019 於二零一九年六月三十日

| | | Note | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|--|-----------------------------|------|--|---|
| Assets | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment, net | 物業、廠房及設備淨額 | 7 | 2,138,696 | 2,107,128 |
| Right-of-use assets | 使用權資產 | | 1,950,998 | – |
| Intangible assets, net | 無形資產淨額 | 8 | 2,218,327 | 2,316,324 |
| Investment in an associate | 於聯營公司的投資 | 11 | – | 640,233 |
| Prepayments and other receivables | 預付款及其他應收款項 | 14 | 3,696,385 | 4,342,699 |
| Deferred income tax assets | 遞延所得稅資產 | 12 | 123,702 | 173,875 |
| Financial assets at fair value through other comprehensive income | 以公平值計量且其變動計入 其他全面收益的金融資產 | 9 | 1,905,366 | 2,670,518 |
| | | | 12,033,474 | 12,250,777 |
| Current assets | 流動資產 | | | |
| Contract costs | 合約成本 | | 688,874 | 695,396 |
| Trade receivables | 貿易應收款項 | 13 | 2,341,792 | 3,625,121 |
| Prepayments and other receivables | 預付款及其他應收款項 | 14 | 20,198,995 | 14,561,573 |
| Cash and cash equivalents | 現金及現金等價物 | | 25,429,447 | 32,598,242 |
| | | | 48,659,108 | 51,480,332 |
| Total assets | 總資產 | | 60,692,582 | 63,731,109 |
| 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 | 15 | 2,000,000 | 2,000,000 |
| Shares held for the Share Option Scheme | 就購股權計劃持有的股份 | 15 | (150,000) | (150,000) |
| Reserves | 儲備 | 16 | 38,539,712 | 38,282,476 |
| Retained earnings | 保留盈利 | | 8,306,013 | 13,144,180 |
| Total equity | 總權益 | | 48,695,725 | 53,276,656 |

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

簡明合併資產負債表 (續)

As at June 30, 2019 於二零一九年六月三十日

| | | Note | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|-------------------------------------|---------------|------|--|---|
| Liabilities | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Lease liabilities | 租賃負債 | | 1,923,849 | – |
| Deferred income tax liabilities | 遞延所得稅負債 | 12 | 70,025 | 56,021 |
| | | | 1,993,874 | 56,021 |
| Current liabilities | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 18 | 3,486,066 | 3,177,289 |
| Contract liabilities | 合約負債 | | 3,662,196 | 3,806,299 |
| Lease liabilities | 租賃負債 | | 228,303 | – |
| Receipt in advance | 預收款項 | | 175,874 | 136,193 |
| Other payables and accruals | 其他應付款項及應計費用 | | 2,049,250 | 2,652,333 |
| Current income tax liabilities | 即期所得稅負債 | | 401,294 | 626,318 |
| | | | 10,002,983 | 10,398,432 |
| Total liabilities | 總負債 | | 11,996,857 | 10,454,453 |
| Total equity and liabilities | 總權益及負債 | | 60,692,582 | 63,731,109 |

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

以上中期簡明合併資產負債表應與隨附的附註一併閱讀。

The interim financial statements on pages 31 to 76 were approved by the Board of Directors on August 30, 2019 and were signed on its behalf.

第31至76頁的中期財務報表已由董事會於二零一九年八月三十日批准並代為簽署。

Director
董事

Director
董事

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明合併全面收益表

For the six months ended June 30, 2019 截至二零一九年六月三十日止六個月

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|---|----------------------|---|---|
| | | 2019 二零一九年 USD 美元 (Unaudited) (未經審核) | 2018 二零一八年 USD 美元 (Unaudited) (未經審核) |
| | | Note 附註 | |
| Revenue | 收入 | 6 | 8,958,904 |
| Cost of revenue | 成本 | 20 | (4,860,543) |
| Gross profit | 毛利 | | 4,098,361 |
| Selling and marketing expenses | 銷售及營銷開支 | 20 | (1,935,402) |
| Administrative expenses | 行政開支 | 20 | (5,382,466) |
| Research and development expenses | 研發開支 | 20 | (731,754) |
| Impairment of investment in an associate | 於聯營公司的投資之減值 | 20 | (652,596) |
| Other gains, net | 其他收益淨額 | 19 | 117,674 |
| Operating (loss)/profit | 經營 (虧損)/溢利 | | (4,486,183) |
| Finance income | 財務收入 | 21 | 13,271 |
| Finance costs | 財務成本 | 21 | (83,600) |
| Finance costs, net | 財務成本淨額 | 21 | (70,329) |
| Share of profit of an associate | 分佔聯營公司的溢利 | | - |
| | | | 2,360 |
| (Loss)/Profit before income tax | 除所得稅前 (虧損)/溢利 | | (4,556,512) |
| Income tax expense | 所得稅開支 | 22 | (218,165) |
| (Loss)/Profit for the period | 期內 (虧損)/溢利 | | (4,774,677) |
| Other comprehensive Income | 其他全面收益 | | |
| Items that may be reclassified subsequently to profit or loss | 可能於期後重新分類至損益的項目 | | |
| – Currency translation differences | – 貨幣換算差額 | | 113,952 |
| 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 | – 股本證券投資的公平值變動 | | (743,813) |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

簡明合併全面收益表 (續)

For the six months ended June 30, 2019 截至二零一九年六月三十日止六個月

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|---|-----------------------------|--|-------------|
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | USD | USD |
| | | 美元 | 美元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| | Note 附註 | | |
| Total comprehensive (loss)/income for the period | 期內全面 (虧損) / 收益總額 | (5,404,538) | 2,045,670 |
| (Loss)/Profit attributable to: Owners of the Company | 以下應佔 (虧損) / 溢利 : 本公司擁有人 | (4,774,677) | 2,194,105 |
| Total comprehensive (loss)/income attributable to: Owners of the Company | 以下應佔全面 (虧損) / 收益總額 : 本公司擁有人 | (5,404,538) | 2,045,670 |
| (Losses)/Earnings per share (expressed in USD cents per share) | 每股 (虧損) / 盈利 (以每股美仙列示) | | |
| – Basic | – 基本 | (0.26) | 0.12 |
| – Diluted | – 攤薄 | (0.26) | 0.12 |
| Dividends | 股息 | 24 | – |

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

以上中期簡明合併全面收益表應與隨附的附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明合併權益變動表

For the six months ended June 30, 2019 截至二零一九年六月三十日止六個月

| (Unaudited) | | Note | Attributable to owners of the Company | | | | Total |
|--|-------------------------------------|------|---------------------------------------|---|------------|-------------------|-------------|
| | | | 本公司擁有人應佔 | | | | |
| (未經審核) | | 附註 | Share capital | Shares held for the Share Option Scheme | Reserves | Retained earnings | |
| | | | 股本 | 持有的股份 | 儲備 | 保留盈利 | 總計 |
| | | | USD | USD | USD | USD | USD |
| | | | 美元 | 美元 | 美元 | 美元 | 美元 |
| Balance at January 1, 2019 | 於二零一九年一月一日的結餘 | | 2,000,000 | (150,000) | 38,282,476 | 13,144,180 | 53,276,656 |
| Change in accounting policy | 會計政策之變動 | 3(b) | - | - | - | (63,490) | (63,490) |
| Restated total equity at January 1, 2019 | 於二零一九年一月一日重列之總權益 | | 2,000,000 | (150,000) | 38,282,476 | 13,080,690 | 53,213,166 |
| Loss for the period | 期內虧損 | | - | - | - | (4,774,677) | (4,774,677) |
| Other comprehensive income | 其他全面收益 | | | | | | |
| - net losses from changes in fair value of financial assets at fair value through other comprehensive income | - 以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虧損淨額 | | - | - | (743,813) | - | (743,813) |
| - currency translation differences | - 貨幣換算差額 | 16 | - | - | 113,952 | - | 113,952 |
| Total comprehensive loss for the period | 期內全面虧損總額 | | - | - | (629,861) | (4,774,677) | (5,404,538) |
| Transaction with owners in their capacity as owners | 與擁有人(以擁有人身份)的交易 | | | | | | |
| The Share Option Scheme | 購股權計劃 | | | | | | |
| - value of employee services | - 僱員服務的價值 | 16 | - | - | 887,097 | - | 887,097 |
| Balance at June 30, 2019 | 於二零一九年六月三十日的結餘 | | 2,000,000 | (150,000) | 38,539,712 | 8,306,013 | 48,695,725 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

簡明合併權益變動表 (續)

For the six months ended June 30, 2019 截至二零一九年六月三十日止六個月

| (Unaudited) (未經審核) | | Note 附註 | Attributable to owners of the Company 本公司擁有人應佔 | | | | Total 總計 USD 美元 |
|--|-------------------|------------|---|---|-----------------------------|--|--------------------------|
| | | | Share capital 股本 USD 美元 | Option Scheme 就購股權計劃 持有的股份 USD 美元 | Reserves 儲備 USD 美元 | Retained earnings 保留盈利 USD 美元 | |
| 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 period | 期內溢利 | | - | - | - | 2,194,105 | 2,194,105 |
| Other comprehensive income | 其他全面收益 | | | | | | |
| - currency translation differences | - 貨幣換算差額 | 16 | - | - | (148,435) | - | (148,435) |
| Total comprehensive income for the period | 期內全面收益總額 | | - | - | (148,435) | 2,194,105 | 2,045,670 |
| 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 | 16(a) | - | - | 159,542 | (159,542) | - |
| The Share Option Scheme | 購股權計劃 | | | | | | |
| - value of employee services | - 僱員服務的價值 | 16 | - | - | 1,118,861 | - | 1,118,861 |
| Balance at June 30, 2018 | 於二零一八年六月三十日的結餘 | | 2,000,000 | (150,000) | 37,063,657 | 14,314,084 | 53,227,741 |

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

以上中期簡明合併權益變動表應與隨附的附註一併閱讀。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明合併現金流量表

For the six months ended June 30, 2019 截至二零一九年六月三十日止六個月

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|---|-----------------|--|-------------|
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | USD | USD |
| | | 美元 | 美元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| 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 | (6,118,136) | 2,691,975 |
| Interest received | 已收利息 | 13,271 | – |
| Interest paid | 已付利息 | (54,018) | – |
| Income tax paid | 已付所得稅 | (368,363) | (617,733) |
| Net cash (used in)/generated from operating activities | 經營活動(所用)/所得現金淨額 | (6,527,246) | 2,074,242 |
| Cash flows from investing activities | 來自投資活動的現金流量 | | |
| Purchases of property, plant and equipment | 購買物業、廠房及設備 | (215,661) | (1,938,489) |
| Purchases of intangible assets | 購置無形資產 | (276,589) | (2,415,775) |
| Prepayment for investment | 投資預付款 | – | (3,500,000) |
| Net cash used in investing activities | 投資活動所用現金淨額 | (492,250) | (7,854,264) |
| Cash flows from financing activities | 來自融資活動的現金流量 | | |
| Payment for IPO costs | 首次公開發售成本付款 | (19,327) | (240,499) |
| Principal elements of lease payments | 租賃付款的本金成份 | (116,387) | – |
| Net cash used in financing activities | 融資活動所用現金淨額 | (135,714) | (240,499) |
| Net decrease in cash and cash equivalents | 現金及現金等價物減少淨額 | (7,155,210) | (6,020,521) |
| Cash and cash equivalents at beginning of period | 期初的現金及現金等價物 | 32,598,242 | 43,997,614 |
| Exchange losses on cash and cash equivalents | 現金及現金等價物的匯兌虧損 | (13,585) | (316,740) |
| Cash and cash equivalents at end of the period | 期末的現金及現金等價物 | 25,429,447 | 37,660,353 |

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

以上中期簡明合併現金流量表應與隨附的附註一併閱讀。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明合併財務報表附註

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

The financial statements are presented in the United States Dollars (“USD”), unless otherwise stated, and have been approved for issue by the Company’s Board of Directors on August 30, 2019.

2 BASIS OF PREPARATION

This condensed consolidated interim financial statements for the six months ended June 30, 2019 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

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Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 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」）。

除另有指定外，財務報表以美元（「美元」）呈列，並已於二零一九年八月三十日由本公司董事會批准刊發。

2 編製基準

截至二零一九年六月三十日止六個月的中期簡明綜合財務報表乃按國際會計準則（「國際會計準則」）第34號「中期財務報告」編製。中期簡明綜合財務報表應與截至二零一八年十二月三十一日止年度的全年財務報表一併閱讀，而後者乃按國際財務報告準則（「國際財務報告準則」）編製。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

3 CHANGE OF ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2018, as described in those annual financial statements, except for the following:

(a) 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, 2019:

| | | |
|--|--|-----------------|
| Annual Improvements to IFRSs 2015-2017 Cycle | 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 | 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 |
| IAS 19(Amendments) | Plan Amendment, Curtailment or settlement | January 1, 2019 |
| 國際會計準則第19號(修訂版) | 計劃修訂、削減或結算 | 二零一九年一月一日 |
| IAS 28(Amendments) | Long-term Interests in Associates and Joint Ventures | January 1, 2019 |
| 國際會計準則第28號(修訂版) | 於聯營公司及合營企業的長期權益 | 二零一九年一月一日 |
| IFRIC 23 | Uncertainty over Income Tax Treatments | January 1, 2019 |
| 國際財務報告詮釋委員會詮釋第23號 | 所得稅處理的不確定性 | 二零一九年一月一日 |
| IFRS 16 | Leases | January 1, 2019 |
| 國際財務報告準則第16號 | 租賃 | 二零一九年一月一日 |

Amendments to IFRSs effective for the financial year beginning on or after January 1, 2019 do not have a material impact on the Group's accounting policies and did not require retrospective adjustments, except for IFRS 16. The impact of the adoption of IFRS 16 are disclosed in note (b) below.

3 會計政策變動

所應用的會計政策與截至二零一八年十二月三十一日止年度的全年財務報表所使用並在該等財務報表所述者一致，惟以下會計政策除外：

(a) 以下準則的修訂由本集團於二零一九年一月一日或之後開始的財政年度首次採納：

於二零一九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16號外，對本集團的會計政策並無重大影響，亦無需作出追溯調整。採納國際財務報告準則第16號的影響在下文附註(b)披露。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

3 CHANGE OF ACCOUNTING POLICIES

(Continued)

(b) Impact of adoption of IFRS 16

The group has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on January 1, 2019.

(i) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 were 5.6% for leases below 5 years (inclusive) and 5.8% for leases over 5 years.

3 會計政策變動(續)

(b) 採納國際財務報告準則第16號之影響

本集團自二零一九年一月一日起追溯採用國際財務報告準則第16號，但未根據準則中的特定過渡性條文所允許對二零一八年報告期間的比較數字進行重列。因此，新租賃規則所產生的重新分類及調整於二零一九年一月一日的期初資產負債表中確認。

(i) 於採納國際財務報告準則第16號時確認的調整

於採納國際財務報告準則第16號時，本集團已就先前根據國際會計準則第17號租賃的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按剩餘租賃付款的現值計量，並使用承租人於二零一九年一月一日的增量借款利率貼現。於二零一九年一月一日適用於該等租賃負債的加權平均承租人增量借款利率，就5年或以下的租賃而言為5.6%，而就5年以上的租賃而言為5.8%。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

3 CHANGE OF ACCOUNTING POLICIES 3 會計政策變動(續)

(Continued)

(b) Impact of adoption of IFRS 16 (Continued)

(i) Adjustments recognised on adoption of IFRS 16
(Continued)

(b) 採納國際財務報告準則第16號之影響(續)

(i) 於採納國際財務報告準則第16號時確認的調整(續)

| | | 2018 二零一八年 USD 美元 |
|---|-------------------------------|----------------------------|
| Operating lease commitments disclosed as at December 31, 2018 | 於二零一八年十二月三十一日 披露的經營租賃承擔 | 2,877,310 |
| Discounted using the lessee's incremental borrowing rate of at the date of initial application | 使用承租人於首次應用日期的 增量借款利率貼現 | 2,295,267 |
| Less: short-term leases recognised on a straight-line basis as expense | 減：以直線法將短期租賃 確認為開支 | (28,461) |
| Lease liability recognised as at January 1, 2019 | 於二零一九年一月一日 確認的租賃負債 | 2,266,806 |
| Of which are: | 其中為： | |
| Current lease liabilities | 流動租賃負債 | 224,760 |
| Non-current lease liabilities | 非流動租賃負債 | 2,042,046 |
| | | 2,266,806 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

3 CHANGE OF ACCOUNTING POLICIES

(Continued)

(b) Impact of adoption of IFRS 16 (Continued)

(i) Adjustments recognised on adoption of IFRS 16 (Continued)

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following type of assets:

| | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 | As at January 1, 2019 於二零一九年 一月一日 USD 美元 |
|---------------|--|---|
| Properties 物業 | 1,950,998 | 2,090,782 |

The change in accounting policy affected the following items in the balance sheet on January 1, 2019:

- right-of-use assets – increase by USD2,090,782
- lease liabilities – increase by USD2,266,806
- Other payables and accruals -decrease by USD112,534

The net impact on retained earnings on January 1, 2019 was a decrease of USD63,490.

3 會計政策變動(續)

(b) 採納國際財務報告準則第16號之影響(續)

(i) 於採納國際財務報告準則第16號時確認的調整(續)

有關物業租賃的相關使用權資產按追溯基準確認，猶如經已應用新規則。概無須要對於首次應用日期的使用權資產作調整的繁重租賃合約。

確認的使用權資產與以下資產種類有關：

會計政策變動影響下列於二零一九年一月一日的資產負債表項目：

- 使用權資產—增加2,090,782美元
- 租賃負債—增加2,266,806美元
- 其他應付款項及應計費用—減少112,534美元

對於二零一九年一月一日的保留盈利的淨影響為減少63,490美元。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

3 CHANGE OF ACCOUNTING POLICIES

(Continued)

(b) Impact of adoption of IFRS 16 (Continued)

- (ii) The group's leasing activities and how these are accounted for

The group leases various offices. Rental contracts are typically made for fixed periods of 1 to 9 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

By December 31, 2018, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments) less any lease incentives receivable.

3 會計政策變動(續)

(b) 採納國際財務報告準則第16號之影響(續)

- (ii) 本集團的租賃活動及其會計方法

本集團租賃多間辦公室。租約一般固定為期1至9年。租賃條款按個別基準協商且包含多種不同條款及條件。租賃協議並無施加任何契約，惟租賃資產不得用作借款的擔保品。

截至二零一八年十二月三十一日，物業、廠房及設備租賃分類為經營租賃。根據經營租賃作出的付款(經扣除從出租人收取的任何獎勵)於租賃期內以直線法自損益扣除。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用之日確認為使用權資產及相應負債。每筆租賃付款在負債及融資成本之間作分配。融資成本於租期內自損益扣除，藉此制定各期間負債結餘的固定週期利率。使用權資產按資產可使用年期或租期(以較短者為準)以直線法折舊。

租賃產生的資產及負債初步按現值計量。租賃負債包括固定付款(包括實質固定付款)減任何收取的租賃獎勵的淨現值。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

3 CHANGE OF ACCOUNTING POLICIES

(Continued)

(b) Impact of adoption of IFRS 16 (Continued)

- (ii) The group's leasing activities and how these are accounted for (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3 會計政策變動(續)

(b) 採納國際財務報告準則第16號之影響(續)

- (ii) 本集團的租賃活動及其會計方法(續)

租賃付款採用租賃隱含的利率貼現。倘無法釐定該利率，則使用承租人的增量借款利率，即承租人在類似經濟環境中按類似條款及條件借入獲得類似價值資產所需資金所須支付的利率。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初步計量金額
- 於開始日期或之前所作的任何租賃付款，減任何收取的租賃獎勵

與短期租賃相關的付款以直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

3 CHANGE OF ACCOUNTING POLICIES

(Continued)

(c) The following new standards and amendments to existing standards have been issued but are not effective for the financial year beginning January 1, 2019 and have not been early adopted:

3 會計政策變動(續)

(c) 以下新準則及現有準則的修訂經已頒佈但於二零一九年一月一日開始的財政年度尚未生效而未有提早採納：

| | | Effective for annual periods beginning on or after 於下列日期開始的年度期間生效 |
|---|--|---|
| Conceptual Framework for Financial Reporting 2018 二零一八年財務報告概念框架 | Revised conceptual framework for financial reporting 經修訂財務報告概念框架 | January 1, 2020 二零二零年一月一日 |
| IFRS 3 (Amendment) 國際財務報告準則第3號(修訂) | Definition of a Business 業務的定義 | January 1, 2020 二零二零年一月一日 |
| IAS 1 and IAS 8 (Amendment) 國際會計準則第1號及國際會計準則第8號(修訂) | Definition of Material 重要的定義 | January 1, 2020 二零二零年一月一日 |
| IFRS 10 and IAS 28 (Amendments) (Note(i)) 國際財務報告準則第10號及國際會計準則第28號(修訂)(附註(i)) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司及合營企業之間資產出售或注資 | To be determined 待定 |

(i) The Group has already commenced an assessment of the impact of these new or revised standards, and amendments, certain of 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.

(i) 本集團已開始評估該等新訂或經修訂準則及修訂(部份與本集團的業務相關)的影響。根據董事作出的初步評估,於上述準則及修訂生效時,預期對本集團的財務表現及狀況並無重大影響。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

4 ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2018.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 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 interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2018.

There have been no changes in the risk management department or in any risk management policies since the year end.

4 估計

中期財務報表的編製須要管理層作出判斷、估計及假設，而會影響會計政策的應用及資產與負債、收入及開支的列報金額。實際結果可能會與該等估計出現差別。

在編製本中期簡明合併財務報表時，管理層在應用本集團會計政策過程中所作的重要判斷以及估計不確定性的主要來源，與適用於截至二零一八年十二月三十一日止年度的合併財務報表者相同。

5 財務風險管理及金融工具

5.1 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。

中期簡明合併財務報表並無載列全年財務報表所需的所有財務風險管理資料及披露，故應與本集團截至二零一八年十二月三十一日的全年財務報表一併閱讀。

自年末起，風險管理部門或任何風險管理政策並無變動。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.2 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.

| | | 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 June 30, 2019 | 於二零一九年六月三十日 | | | | |
| Trade and other payables and accruals (excluding salary and staff welfare payables and taxes payable) | 貿易及其他應付款項及應計費用(不包括應付薪金及員工福利及應繳稅項) | 4,016,130 | 169,694 | 480,693 | 4,666,517 |
| At December 31, 2018 | 於二零一八年六月三十日 | | | | |
| Trade and other payables and accruals (excluding salary and staff welfare payables and taxes payable) | 貿易及其他應付款項及應計費用(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 |

5.3 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:

5 財務風險管理及金融工具(續)

5.2 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。

5.3 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：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair value estimation (Continued)

- 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).

No asset instruments carried are categorised in level 2 or level 3 for the six months ended June 30, 2019. The following table presents the Group's financial instruments that are measured at fair value using level 1 inputs:

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 | 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 9) | – 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9) | 1,905,366 | 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.

5 財務風險管理及金融工具(續)

5.3 公平值估算(續)

- 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)。

截至二零一九年十二月三十一日止年度, 並無結轉的資產工具分類為第二級或第三級。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:

| | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 |
|--|--|--|
|--|--|--|

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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 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 maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required 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; and
- 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.

5 財務風險管理及金融工具(續)

5.3 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;及
- 利率掉期的公平值乃根據可觀察的孳息曲線,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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

6 REVENUE AND SEGMENT INFORMATION

6 收入及分部資料

| | | Six months ended June 30, | |
|-----------------------|---------|---------------------------|-------------|
| | | 截至六月三十日止六個月 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | USD | USD |
| | | 美元 | 美元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Service | 服務 | | |
| Online game revenue | 網絡遊戲收入 | 8,881,414 | 11,438,835 |
| Licensing revenue | 特許權收入 | 73,333 | 2,656,100 |
| Server rental revenue | 伺服器租賃收入 | — | 4,079 |
| Advertising revenue | 廣告收入 | 4,157 | 4,860 |
| | | 8,958,904 | 14,103,874 |

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.

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。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、廠房及設備

| | | Office equipment 辦公室設備 | Computers 電腦 | Leasehold improvements 租賃物業裝修 | Motor vehicles 汽車 | Total 總計 |
|---------------------------------------|-------------------------|------------------------------|-----------------|-------------------------------------|-------------------------|------------------|
| | | USD 美元 | USD 美元 | USD 美元 | USD 美元 | USD 美元 |
| (Unaudited) (未經審核) | | | | | | |
| Six months ended June 30, 2019 | 截至二零一九年六月三十日止六個月 | | | | | |
| Opening net book amount | 期初賬面淨值 | 43,479 | 142,376 | 1,921,273 | - | 2,107,128 |
| Additions | 添置 | 2,248 | 7,063 | 88,852 | 109,137 | 207,300 |
| Depreciation charge | 折舊費用 | (13,087) | (31,612) | (135,054) | (7,276) | (187,029) |
| Currency translation differences | 貨幣換算差額 | 372 | 964 | 9,961 | - | 11,297 |
| Closing net book amount | 期末賬面淨值 | 33,012 | 118,791 | 1,885,032 | 101,861 | 2,138,696 |
| At June 30, 2019 | 於二零一九年六月三十日 | | | | | |
| Cost | 成本 | 113,625 | 408,699 | 2,177,855 | 109,137 | 2,809,316 |
| Accumulated depreciation | 累計折舊 | (80,613) | (289,908) | (292,823) | (7,276) | (670,620) |
| Net book amount | 賬面淨值 | 33,012 | 118,791 | 1,885,032 | 101,861 | 2,138,696 |
| | | Office equipment 辦公室設備 | Computers 電腦 | Leasehold improvements 租賃物業裝修 | | Total 總計 |
| | | USD 美元 | USD 美元 | USD 美元 | | USD 美元 |
| (Unaudited) (未經審核) | | | | | | |
| Six months ended June 30, 2018 | 截至二零一八年六月三十日止六個月 | | | | | |
| Opening net book amount | 期初賬面淨值 | 32,231 | 106,344 | 132,017 | | 270,592 |
| Additions | 添置 | 9,830 | 77,830 | 2,100,909 | | 2,188,569 |
| Depreciation charge | 折舊費用 | (2,302) | (9,258) | (242,109) | | (253,669) |
| Currency translation differences | 貨幣換算差額 | (825) | (3,953) | (21,819) | | (26,597) |
| Closing net book amount | 期末賬面淨值 | 38,934 | 170,963 | 1,968,998 | | 2,178,895 |
| At June 30, 2018 | 於二零一八年六月三十日 | | | | | |
| Cost | 成本 | 99,253 | 384,604 | 2,468,429 | | 2,952,286 |
| Accumulated depreciation | 累計折舊 | (60,319) | (213,641) | (499,431) | | (773,391) |
| Net book amount | 賬面淨值 | 38,934 | 170,963 | 1,968,998 | | 2,178,895 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

8 INTANGIBLE ASSETS

8 無形資產

| (Unaudited) (未經審核) | | Licenses | Computer software | Total |
|---------------------------------------|------------------------------|------------------|-------------------|------------------|
| | | 許可權 | 電腦軟件 | 總計 |
| | | USD | USD | USD |
| | | 美元 | 美元 | 美元 |
| Six months ended June 30, 2019 | 截至二零一九年六月三十日 止六個月 | | | |
| Opening net book amount | 期初賬面淨值 | 2,294,452 | 21,872 | 2,316,324 |
| Additions | 添置 | 341,846 | – | 341,846 |
| Amortisation | 攤銷 | (345,031) | (4,140) | (349,171) |
| Impairment charge | 減值開支 | (89,481) | – | (89,481) |
| Currency translation differences | 貨幣換算差額 | (1,199) | 8 | (1,191) |
| Closing net book amount | 期末賬面淨值 | 2,200,587 | 17,740 | 2,218,327 |
| At June 30, 2019 | 於二零一九年六月三十日 | | | |
| Cost | 成本 | 3,375,830 | 42,758 | 3,418,588 |
| Accumulated amortisation | 累計攤銷 | (1,175,243) | (25,018) | (1,200,261) |
| Net book amount | 賬面淨值 | 2,200,587 | 17,740 | 2,218,327 |
| (Unaudited) (未經審核) | | | | |
| Six months ended June 30, 2018 | 截至二零一八年六月三十日 止六個月 | | | |
| Opening net book amount | 期初賬面淨值 | 449,436 | 11,665 | 461,101 |
| Additions | 添置 | 2,150,000 | – | 2,150,000 |
| Amortisation | 攤銷 | (212,797) | (765) | (213,562) |
| Currency translation differences | 貨幣換算差額 | – | (313) | (313) |
| Closing net book amount | 期末賬面淨值 | 2,386,639 | 10,587 | 2,397,226 |
| At June 30, 2018 | 於二零一八年六月三十日 | | | |
| Cost | 成本 | 4,474,874 | 30,559 | 4,505,433 |
| Accumulated amortisation | 累計攤銷 | (2,088,235) | (19,972) | (2,108,207) |
| Net book amount | 賬面淨值 | 2,386,639 | 10,587 | 2,397,226 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income (“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.

Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following investment:

9 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。

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：

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---------------------------|-----------------|---|--|
| 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) | 1,905,366 | 2,670,518 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Equity investments at fair value through other comprehensive income (Continued)

- (a) The Group acquired approximately 0.6% of the 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 FVOCI:

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|--|-----------------------|---|--|
| Opening balance | 期初結餘 | 2,670,518 | – |
| Addition | 添置 | – | 2,559,607 |
| (Loss)/Gain recognised in other comprehensive income | 於其他全面收益 確認的(虧損)/收益 | (765,152) | 110,911 |
| Closing balance | 期末結餘 | 1,905,366 | 2,670,518 |

During the six months ended June 30, 2019, the Group did not have any investment in debt securities.

9 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(續)

- (a) 本集團已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：

| | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|--|---|--|
| Opening balance | 2,670,518 | – |
| Addition | – | 2,559,607 |
| (Loss)/Gain recognised in other comprehensive income | (765,152) | 110,911 |
| Closing balance | 1,905,366 | 2,670,518 |

於截至二零一九年六月三十日止六個月，本集團並無任何債務證券投資。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

10 FINANCIAL INSTRUMENTS BY CATEGORIES 10 按類別劃分的金融工具

| | | | As at June 30, 2019 於二零一九年 六月三十日 | As at December 31, 2018 於二零一八年 十二月三十一日 |
|---|--|------------|---|---|
| | | Note 附註 | USD 美元 (Unaudited) (未經審核) | USD 美元 (Audited) (經審核) |
| 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) | 13, 14 | 15,992,339 | 16,644,000 |
| – Cash and cash equivalents | – 現金及現金等價物 | | 25,429,447 | 32,598,242 |
| | | | 41,421,786 | 49,242,242 |
| Financial asset 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 | | | |
| – Investment in equity securities | – 於股本證券的投資 | 9 | 1,905,366 | 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) (Note (a)) | – 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) (附註(a)) | 18 | 4,666,517 | 4,646,937 |

(a) Excluding non-financial liabilities

(a) 不包括非金融負債

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

11 INVESTMENT IN AN ASSOCIATE

The amounts recognised in the balance sheet are as follows:

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---|------------------------|---|--|
| Associate | 聯營公司 | - | 640,233 |
| The profit/(losses) recognised in the statement of profit or loss are as follows: | 於損益表內確認的 溢利/(虧損)如下: | | |
| Associate profit/(losses) | 聯營公司溢利/(虧損) | - | 3,355 |

Investment in an associate

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 is held directly by the Group.

Details of investment in an associate as at June 30, 2019 and December 31, 2018:

| Name of entity | Place of business/ country of incorporation | % of ownership interest | Nature of the relationship | Measurement method |
|---|--|-------------------------|----------------------------|--------------------|
| 實體名稱 | 營業地點/ 註冊成立國家 | 所有權權益 百分比(%) | 關係性質 | 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 |

11 於聯營公司的投資

於資產負債表內確認的金額如下:

| | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---|---|--|
| Associate | - | 640,233 |
| The profit/(losses) recognised in the statement of profit or loss are as follows: | | |
| Associate profit/(losses) | - | 3,355 |

於聯營公司的投資

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。

於二零一九年六月三十日及二零一八年十二月三十一日於一家聯營公司的投資詳情:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

11 INVESTMENT IN AN ASSOCIATE (Continued)

Investment in an associate (Continued)

- (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.

Movement of investment in associate is analysed as follows:

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|----------------------------------|-------------|---|--|
| At beginning of period | 期初 | 640,233 | 681,625 |
| Share of profit/(losses) | 所佔溢利/(虧損) | - | 3,355 |
| Impairment charge (Note (a)) | 減值開支(附註(a)) | (652,596) | - |
| Currency translation differences | 貨幣換算差額 | 12,363 | (44,747) |
| Carrying value | 賬面值 | - | 640,233 |

- (a) Full impairment of investment of USD652,596 was made during the six months ended June 30, 2019, because the Group did not anticipate any future cash flow generated from Shanghai Jiying's operation as the entity has substantially wound down its operations. As a result, an impairment charge of USD261,000 was also made against the full amount of a prepaid royalty fee to Shanghai Jiying (Note 20(a)).

11 於聯營公司的投資(續)

於聯營公司的投資(續)

- (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。

於聯營公司的投資的變動分析如下：

| | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|----------------------------------|---|--|
| At beginning of period | 640,233 | 681,625 |
| Share of profit/(losses) | - | 3,355 |
| Impairment charge (Note (a)) | (652,596) | - |
| Currency translation differences | 12,363 | (44,747) |
| Carrying value | - | 640,233 |

(a) 於截至二零一九年六月三十日止六個月作出全數投資減值652,596美元，原因為上海集鷹已大幅縮減經營規模，故本集團並不預計會從上海集鷹的營運中產生任何未來現金流量。因此，對預付予上海集鷹的版權費作出全數減值開支261,000美元(附註20(a))。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

12 DEFERRED INCOME TAX

12 遞延所得稅

| | | (Unaudited) (未經審核) | |
|--|--------------|--|---|
| | | Deferred income tax assets 遞延所得稅資產 | Deferred income tax liabilities 遞延所得稅負債 |
| | | USD 美元 | USD 美元 |
| As at January 1, 2019 | 於二零一九年一月一日 | 173,875 | (56,021) |
| Recognised in profit or loss (Note 22) | 於損益中確認(附註22) | (51,550) | (35,693) |
| Recognised in other comprehensive income | 於其他全面收益確認 | - | 21,339 |
| Currency translation differences | 貨幣換算差額 | 1,377 | 350 |
| As at June 30, 2019 | 於二零一九年六月三十日 | 123,702 | (70,025) |
| As at January 1, 2018 | 於二零一八年一月一日 | 239,452 | (43,573) |
| Recognised in profit or loss (Note 22) | 於損益中確認(附註22) | 25,474 | (30,535) |
| Currency translation differences | 貨幣換算差額 | (1,845) | 236 |
| As at June 30, 2018 | 於二零一八年六月三十日 | 263,081 | (73,872) |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

13 TRADE RECEIVABLES

13 貿易應收款項

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---|--------------|---|--|
| Trade receivables | 貿易應收款項 | 5,303,664 | 5,260,697 |
| Less: allowance for impairment of trade receivables | 減：貿易應收款項減值撥備 | (2,961,872) | (1,635,576) |
| | | 2,341,792 | 3,625,121 |

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:

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 June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---------------|---------|---|--|
| 0-30 days | 0至30日 | 1,499,211 | 1,085,622 |
| 31-90 days | 31至90日 | 322,121 | 1,106,756 |
| 91-180 days | 91至180日 | 862,999 | 764,506 |
| Over 180 days | 超過180日 | 2,619,333 | 2,303,813 |
| | | 5,303,664 | 5,260,697 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

13 TRADE RECEIVABLES (Continued)

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---|--------------------------------|---|--|
| At beginning of the period/year | 於期／年初 | 1,635,576 | 1,698,689 |
| Provision for/(Reversal of) impairment recognised during the period/year (Note (a)) | 於期／年內確認的減值撥備／(撥備撥回) (附註(a)) | 1,401,001 | (33,113) |
| Receivables written off during the period/year as uncollectible | 作為不可收回而於期／年內撇銷的應收款項 | (74,705) | (30,000) |
| At end of the period/year | 於期／年末 | 2,961,872 | 1,635,576 |

(a) The impairment is based on expected credit loss model. During the six months ended June 30, 2019, provisions of USD1,401,001 were made for trade receivables from certain distributors, which were deemed to be impaired after repeated efforts to collect the balances, and that no co-operation of new games with such distributors will be expected in the foreseeable future (Note 20(a)).

13 貿易應收款項(續)

整體進行減值評估的貿易應收款項之減值撥備變動如下：

| | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---|---|--|
| At beginning of the period/year | 1,635,576 | 1,698,689 |
| Provision for/(Reversal of) impairment recognised during the period/year (Note (a)) | 1,401,001 | (33,113) |
| Receivables written off during the period/year as uncollectible | (74,705) | (30,000) |
| At end of the period/year | 2,961,872 | 1,635,576 |

(a) 減值乃根據預期信貸虧損模式作出。於截至二零一九年六月三十日止六個月，就應收若干分銷商的貿易應收款項作出撥備1,401,001美元，此乃被視為經不斷嘗試收回結餘後作出減值，而預期於可見將來不會與該等分銷商進行有關新遊戲的合作(附註20(a))。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

14 PREPAYMENTS AND OTHER RECEIVABLES

14 預付款及其他應收款項

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---|----------------------|---|--|
| Included in non-current assets | 計入非流動資產 | | |
| Prepayment for equity investments (Note (a)) | 股本投資預付款(附註(a)) | 3,550,000 | 3,550,000 |
| Prepayment for game development (Note 20(a)) | 遊戲開發預付款(附註20(a)) | 92,660 | 504,193 |
| Prepayment for intangible assets (Note 20(a)) | 無形資產預付款(附註20(a)) | 700 | 235,700 |
| Deposits | 按金 | 53,025 | 52,806 |
| | | 3,696,385 | 4,342,699 |
| 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)) | 13,552,495 | 12,864,097 |
| Prepaid royalty fees (Note (c), Note 20(a)) | 預付版權費(附註(c)、附註20(a)) | 6,440,055 | 1,310,731 |
| Prepaid advertising charges | 預付廣告費用 | 37,876 | 51,307 |
| Deposits (to be recovered within 12 months) | 按金(將於12個月內收回) | 12,826 | 60,577 |
| Prepaid server rental expenses | 預付伺服器租賃開支 | 57,691 | 120,079 |
| Others | 其他 | 98,052 | 154,782 |
| | | 20,198,995 | 14,561,573 |
| | | 23,895,380 | 18,904,272 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

14 PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(a) Two prepayments for equity investments:

- Prepayment for the right to equity purchase of certain shares of a company engaged in game operation, which are 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 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 approves 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.

(c) As at June 30, 2019, prepaid royalty fees mainly represent the prepayments of approximately USD6.2 million to certain game developers for nine mobile games. During the six months ended June 30, 2019, provisions totalling USD751,205 were made for to certain games since they were taken offline and such prepayments were considered uncollectible. A provision of USD261,000 was also made against a prepaid royalty fee to Shanghai Jiying for reasons described in Note 11.

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，將於較後階段釐定。
- 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。

(c) 於二零一九年六月三十日，預付版權費主要指就九款手機遊戲向若干遊戲開發商預付的款項約6.2百萬美元。於截至二零一九年六月三十日止六個月，已就若干遊戲作出合共751,205美元撥備，原因是該等遊戲已下線而有關預付款被認為不可收回。就附註11所述理由，亦對預付予上海集鷹的版權費作出261,000美元撥備。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

15 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 (December 31, 2018: 4,000,000,000 ordinary shares) with par value of USD0.001 per share (December 31, 2018: USD0.001 per share).

As at June 30, 2019, the total number of issued ordinary shares of the Company was 2,000,000,000 shares (December 31, 2018: 2,000,000,000 shares) which included 149,999,973 shares (December 31, 2018: 149,999,973) 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:

15 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(二零一八年十二月三十一日: 4,000,000,000股普通股), 而每股面值為0.001美元(二零一八年十二月三十一日: 每股0.001美元)。

於二零一九年六月三十日, 本公司已發行普通股總數為2,000,000,000股(二零一八年十二月三十一日: 2,000,000,000股), 包括就股份激勵計劃持有的149,999,973股股份(二零一八年十二月三十一日: 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 已發行 股份數目 | Share capital 股本 USD 美元 | Shares held for the Share Option Scheme 就購股權計劃 持有的股份 USD 美元 (Note (a)) (附註(a)) |
|--|------------------------------|---|----------------------------------|--|
| As at December 31, 2018 and June 30, 2019 | 於二零一八年十二月三十一日 及二零一九年六月三十日 | 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") to be adopted by the Company.

(a) 根據日期為二零一五年十一月二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將予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。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

15 SHARE CAPITAL AND SHARES HELD FOR THE SHARE OPTION SCHEME (Continued)

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 six months ended June 30, 2019, the Share Scheme Trust has not transferred any ordinary shares of the Company (June 30, 2018: nil) to the grantees vesting of the awarded shares (Note 17).

15 股本及就購股權計劃持有的股份(續)

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。

於截至二零一九年六月三十日止六個月期間，股份計劃信託並無向承授人轉讓本公司任何普通股(二零一八年六月三十日：無)，以歸屬獲獎勵的股份(附註17)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

16 RESERVES

16 儲備

| | | Share-based | | Statutory reserves | Currency | | Fair value reserve | Other reserves | Total |
|--|-----------------------------------|-------------------|------------------|--------------------|------------------------|------------------|--------------------|-------------------|-------|
| | | Share premium | payment reserves | | translation difference | | | | |
| | | 以股份為基礎 | 的付款儲備 | 法定儲備 | 貨幣換算差額 | 公平值儲備 | 其他儲備 | 總計 | |
| (Unaudited) | | USD | USD | USD | USD | USD | USD | USD | USD |
| (未經審核) | | 美元 | 美元 | 美元 | 美元 | 美元 | 美元 | 美元 | 美元 |
| Balance at January 1, 2019 | 於二零一九年一月一日的結餘 | 35,603,166 | 3,245,184 | 945,312 | (858,426) | 89,572 | (742,332) | 38,282,476 | |
| The Share Option Scheme | 購股權計劃 | | | | | | | | |
| - value of employee services | 一僱員服務的價值 | - | 887,097 | - | - | - | - | 887,097 | |
| Net losses 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虧損淨額 | - | - | - | - | (743,813) | - | (743,813) | |
| Currency translation differences | 貨幣換算差額 | - | - | - | 113,952 | - | - | 113,952 | |
| Balance at June 30, 2019 | 於二零一九年六月三十日的結餘 | 35,603,166 | 4,132,281 | 945,312 | (744,474) | (654,241) | (742,332) | 38,539,712 | |
| (Unaudited) | | | | | | | | | |
| (未經審核) | | | | | | | | | |
| Balance at January 1, 2018 | 於二零一八年一月一日的結餘 | 35,603,166 | 612,443 | 872,867 | (412,455) | - | (742,332) | 35,933,689 | |
| Appropriation to statutory reserves (Note (a)) | 轉撥至法定儲備(附註(a)) | - | - | 159,542 | - | - | - | 159,542 | |
| The Share Option Scheme | 購股權計劃 | | | | | | | | |
| - value of employee services | 一僱員服務的價值 | - | 1,118,861 | - | - | - | - | 1,118,861 | |
| Currency translation differences | 貨幣換算差額 | - | - | - | (148,435) | - | - | (148,435) | |
| Balance at June 30, 2018 | 於二零一八年六月三十日的結餘 | 35,603,166 | 1,731,304 | 1,032,409 | (560,890) | - | (742,332) | 37,063,657 | |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

16 RESERVES (Continued)

- (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.

16 儲備 (續)

- (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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

17 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 Hong Kong Dollar 0.0074 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 twenty-four months from the grant date, and 33.34% after thirty-six months from the grant date.

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:

17 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 | |
|-------------------------------|-----------------------------------|--|--------------------|
| | | Six months ended June 30, | |
| | | 購股權項下股份數目 | |
| | | 截至六月三十日止六個月 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Average exercise price | 平均行使價 | | |
| | At beginning of the period | 42,655,123 | - |
| | 期初 | | |
| | Granted | - | 49,498,610 |
| | 授出 | | |
| | Forfeited | (212,758) | (6,656,109) |
| | 沒收 | | |
| | At end of the period | 42,442,365 | 42,842,501 |
| | 期末 | | |
| | Vested | 7,139,185 | - |
| | 已歸屬 | | |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

18 TRADE PAYABLES

The aging analysis of trade payables based on invoice date is as follows:

18 貿易應付款項

貿易應付款項的賬齡分析(根據發票日期)如下:

| | | As at June 30, 2019 於二零一九年 六月三十日 USD 美元 (Unaudited) (未經審核) | As at December 31, 2018 於二零一八年 十二月三十一日 USD 美元 (Audited) (經審核) |
|---------------|----------|---|--|
| 0-90 days | 0至90日 | 933,287 | 1,043,598 |
| 91-180 days | 91至180日 | 824,709 | 978,536 |
| 181-360 days | 181至360日 | 1,077,683 | 345,849 |
| Over 360 days | 超過360日 | 650,387 | 809,306 |
| | | 3,486,066 | 3,177,289 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

19 OTHER GAINS, NET

19 其他收益淨額

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|--|---------------------|---|---|
| | | 2019 二零一九年 USD 美元 (Unaudited) (未經審核) | 2018 二零一八年 USD 美元 (Unaudited) (未經審核) |
| 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 | - | 12,333 |
| Others | 其他 | 125,998 | 12,038 |
| | | 125,998 | 524,371 |
| Other losses | 其他虧損 | | |
| Foreign exchange losses, net | 匯兌虧損淨額 | (8,311) | - |
| Others | 其他 | (13) | (1,052) |
| | | (8,324) | (1,052) |
| Other gains, net | 其他收益淨額 | 117,674 | 523,319 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

20 EXPENSES BY NATURE

20 按性質劃分的開支

| | | Six months ended June 30, | |
|---|---------------------------------------|---------------------------|-------------|
| | | 截至六月三十日止六個月 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | USD | USD |
| | | 美元 | 美元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| 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 | 3,416,822 | 4,463,487 |
| Employee benefits expenses | 僱員福利開支 | 2,916,010 | 2,686,961 |
| Impairment charge | 減值開支 | | |
| – Impairment/(reversal) of trade receivables (Note 13) | – 貿易應收款項減值/ (撥回)(附註13) | 1,401,001 | (103,522) |
| – Impairment of prepayment for royalty fees, license fees and game development(Note(a)) | – 版權費預付款、特許權 費用及遊戲開發的 減值(附註(a)) | 1,350,005 | – |
| – Impairment of intangible assets | – 無形資產減值 | 89,481 | – |
| – Impairment of other receivables | – 其他應收款項減值 | 78,347 | – |
| Advertising expenses | 廣告開支 | 979,190 | 1,635,729 |
| Servers rental expenses | 伺服器租賃開支 | 787,535 | 907,434 |
| Impairment of investment in associate | 於聯營公司的投資之減值 | 652,596 | – |
| Depreciation and amortisation | 折舊及攤銷 | 569,836 | 467,231 |
| Royalty fees | 版權費 | 355,886 | 285,487 |
| Other professional service fees | 其他專業服務費 | 236,554 | 89,267 |
| Office charges | 辦公室費用 | 140,286 | 48,165 |
| Office rental expenses | 辦公室租賃開支 | 22,635 | 206,463 |

(a) The amount represents the impairment charges of prepayment for royalty fees of USD751,205 (Note 14(c)), license fees of USD190,000, game development of USD147,800, as well as prepaid royalty fees to Shanghai Jiying of USD261,000 (Note 11).

(a) 該金額指版權費預付款的減值開支751,205美元(附註14(c))、特許權費用190,000美元及遊戲開發147,800美元，以及向上海集鷹的預付版權費261,000美元(附註11)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

21 FINANCE COSTS - NET

21 財務成本淨額

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|------------------------------|---------------|---|---|
| | | 2019 二零一九年 USD 美元 (Unaudited) (未經審核) | 2018 二零一八年 USD 美元 (Unaudited) (未經審核) |
| Finance income | 財務收入 | | |
| Interest income | 利息收入 | 13,271 | 1,997 |
| Finance costs | 財務成本 | | |
| Interest expense | 利息開支 | (54,018) | — |
| Foreign exchange losses, net | 匯兌虧損淨額 | (29,582) | (328,916) |
| | | (83,600) | (328,916) |
| Finance costs- net | 財務成本淨額 | (70,329) | (326,919) |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

22 INCOME TAX EXPENSE

The income tax expense of the Group for the six months ended June 30, 2019 and 2018 is analysed as follows:

22 所得稅開支

本集團於截至二零一九年及二零一八年六月三十日止六個月的所得稅開支分析如下：

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|----------------------------------|------------|---|---|
| | | 2019 二零一九年 USD 美元 (Unaudited) (未經審核) | 2018 二零一八年 USD 美元 (Unaudited) (未經審核) |
| Current income tax | 即期所得稅 | | |
| -PRC and Hong Kong | - 中國及香港 | 16,923 | 837,057 |
| -Overseas withholding income tax | - 海外預扣所得稅 | 113,999 | 163,321 |
| Deferred tax (Note 12) | 遞延稅項(附註12) | 87,243 | 5,061 |
| | | 218,165 | 1,005,439 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

23 (LOSS)/EARNINGS PER SHARE

Basic

Basic (losses)/earnings per share ("EPS") is calculated by dividing the loss 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 six months ended June 30, 2019.

23 每股(虧損)/盈利

基本

於截至二零一九年六月三十日止六個月，每股基本(虧損)/盈利乃按本公司擁有人應佔虧損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。

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|---|---------------------------------------|--|--|
| | | 2019 二零一九年 (Unaudited) (未經審核) | 2018 二零一八年 (Unaudited) (未經審核) |
| (Loss)/Profit attributable to owners of the Company (USD) | 本公司擁有人應佔 (虧損)/溢利(美元) | (4,774,677) | 2,194,105 |
| 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 | 1,850,000,027 |
| - Basic EPS (in cents/share) | - 每股基本(虧損)/ 盈利(仙/股) | (0.26) | 0.12 |

The EPS is based on that 1,850,000,027 and 1,850,000,027 shares were the weighted average number of ordinary shares in issue excluding the 149,999,973 (June 30, 2018:149,999,973) shares held for the Share Option Scheme for the six months ended June 30, 2019, without taking into account any shares which may be granted and issued by the Company pursuant to the Share Option Scheme.

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1,850,000,027股(不包括截至二零一九年六月三十日止六個月就購股權計劃持有的149,999,973股(二零一八年六月三十日: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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

23 (LOSS)/EARNINGS PER SHARE (Continued)

Diluted

The share options and awarded shares 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 and awarded shares granted by the Company (collectively forming the denominator for computing the diluted EPS). No adjustment is made to (loss)/earnings (numerator).

23 每股(虧損)/盈利(續)

攤薄

本公司授出的購股權及獎勵股份對每股(虧損)/盈利有潛在攤薄作用。每股攤薄(虧損)/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及獎勵股份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(虧損)/盈利的分母)。(虧損)/盈利(分子)並無作調整。

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|--|-----------------------------|--|--|
| | | 2019 二零一九年 (Unaudited) (未經審核) | 2018 二零一八年 (Unaudited) (未經審核) |
| (Loss)/Profit attributable to owners of the Company (USD) | 本公司擁有人應佔 (虧損)/溢利(美元) | (4,774,677) | 2,194,105 |
| 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 | 1,850,000,027 |
| Adjustments for share options and awarded shares | 就購股權及獎勵股份 作調整 | - | 5,013,127 |
| - Diluted EPS (in cents/share) | - 每股攤薄(虧損)/ 盈利(仙/股) | (0.26) | 0.12 |

No adjustment has been made to basic EPS to derive at the diluted EPS for the six months ended June 30, 2019. The share options are not included in the calculation of diluted EPS because they are antidilutive for the six months ended June 30, 2019.

於計算截至二零一九年六月三十日止六個月的每股攤薄(虧損)/盈利時，並無對每股基本(虧損)/盈利作調整。由於購股權對截至二零一九年六月三十日止六個月有反攤薄效應，因此計算每股攤薄(虧損)/盈利時並無將購股權計算在內。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

24 DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the six months ended June 30, 2019 (June 30, 2018: same).

24 股息

本公司董事不建議派付截至二零一九年六月三十日止六個月之任何股息(二零一八年六月三十日:相同)。

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

25 重大關聯方交易

(a) Key management personnel compensations

The compensations paid or payable to key management personnel (including directors, chief executive officer and other senior executives) for employee services are shown below:

(a) 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、首席執行官及其他高級行政人員)的薪酬列示如下:

| | | Six months ended June 30, 截至六月三十日止六個月 | |
|---|----------------------|---|---|
| | | 2019 二零一九年 USD 美元 (Unaudited) (未經審核) | 2018 二零一八年 USD 美元 (Unaudited) (未經審核) |
| Wages and salaries | 工資及薪金 | 114,586 | 110,215 |
| Pension costs – defined contribution plans | 養老金成本 – 界定供款計劃 | 7,121 | 11,994 |
| 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 | 8,770 | 15,707 |
| | | 130,477 | 137,916 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

25 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions and outstanding balance with related parties

During the six months ended June 30, 2019, Shanghai Jiyong, an associate of the Group provided game development services to the Group. The balance of prepayment as at June 30, 2019 was nil (December 31, 2018: USD261,000), representing prepaid royalty fees to Shanghai Jiyong for a virtual reality game. The balance of USD261,000 as at December 31, 2018 was fully impaired during the period (Note 11).

During the six months ended June 30, 2019, Mr. Yu Ching Ming, a shareholder of the Company, paid various office expenses including primarily rental and travel expenses totalling USD58,219 (2018 – nil) of the Hong Kong office on behalf of the Group and for reimbursement subsequently.

Balances with related parties were unsecured, interest-free and repayable according to agreed credit term.

26 CONTINGENT LIABILITIES

There were no significant contingent liabilities as at June 30, 2019.

25 重大關聯方交易 (續)

(b) 與關聯方的其他交易及未清結餘

於截至二零一九年六月三十日止六個月，上海集鷹(本集團的聯營公司)向本集團提供遊戲開發服務。於二零一九年六月三十日的預付款結餘為零(二零一八年十二月三十一日：261,000美元)，乃就虛擬現實遊戲向上海集鷹預付的版權費。於二零一八年十二月三十一日的結餘261,000美元已於期內全數減值(附註11)。

於截至二零一九年六月三十日止六個月，本公司股東余精明先生代表本集團支付多項辦公室開支，包括香港辦事處的主要租賃及差旅開支共58,219美元(二零一八年：無)，本集團將於期後償付。

與關聯方的結餘為無抵押、免息及根據協定的信貸條款償還。

26 或然負債

於二零一九年六月三十日並無重大或然負債。



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