OURGAME INTERNATIONAL HOLDINGS LIMITED

聯眾國際控股有限公司

STOCK CODE 股份代碼：06899

年度報告 Annual Report 2018

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Corporate Information
公司資料

DIRECTORS

Executive Directors

Mr. YANG Eric Qing *(Chairman and Co-Chief Executive Officer)*
Mr. NG Kwok Leung Frank *(Co-Chief Executive Officer)*

Non-Executive Directors

Mr. LIU Jiang
Ms. FU Qiang
Mr. FAN Tai
Mr. CHEN Xian

Independent Non-Executive Directors

Mr. GE Xuan
Mr. LU Zhong
Dr. TYEN Kan Hee Anthony*

AUDIT COMMITTEE

Dr. TYEN Kan Hee Anthony** *(Chairman)*
Mr. FAN Tai
Mr. GE Xuan

REMUNERATION COMMITTEE

Mr. LU Zhong *(Chairman)*
Dr. TYEN Kan Hee Anthony**
Mr. GE Xuan

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. YANG Eric Qing *(Chairman)*
Dr. TYEN Kan Hee Anthony**
Mr. CHEN Xian
Mr. LU Zhong
Mr. GE Xuan

董事

執行董事

楊慶先生*(主席兼聯席行政總裁)*
伍國樑先生*(聯席行政總裁)*

非執行董事

劉江先生
傅強女士
樊泰先生
陳弦先生

獨立非執行董事

葛旋先生
魯眾先生
田耕熹博士*

審核委員會

田耕熹博士**(主席)
樊泰先生
葛旋先生

薪酬委員會

魯眾先生(主席)
田耕熹博士**
葛旋先生

提名及企業管治委員會

楊慶先生(主席)
田耕熹博士**
陳弦先生
魯眾先生
葛旋先生

* Dr. TYEN Kan Hee Anthony was appointed as an independent non-executive Director with effect from 27 March 2018 when Mr. CHEUNG Chung Yan David ceased to be an independent non-executive Director on the same day.

** Dr. TYEN Kan Hee Anthony was appointed as chairman of the Audit Committee, a member of the Remuneration Committee, the Nomination and Corporate Governance Committee and the Risk Management Committee with effect from 27 March 2018.

* 田耕熹博士獲委任為獨立非執行董事，自二零一八年三月二十七日起生效。同日張頌仁先生不再擔任獨立非執行董事。

** 田耕熹博士獲委任為審核委員會主席、薪酬委員會成員、提名及企業管治委員會成員以及風險管理委員會成員，自二零一八年三月二十七日起生效。

RISK MANAGEMENT COMMITTEE

Mr. NG Kwok Leung Frank *(Chairman)*
Mr. GE Xuan
Mr. LU Zhong
Dr. TYEN Kan Hee Anthony**
Ms. FU Qiang

風險管理委員會

伍國樑先生*(主席)*
葛旋先生
魯眾先生
田耕熹博士**
傅強女士

COMPANY SECRETARY***

Ms. NG Sau Mei

公司秘書***

伍秀薇女士

AUTHORISED REPRESENTATIVES

Mr. NG Kwok Leung Frank
Ms. NG Sau Mei

授權代表

伍國樑先生
伍秀薇女士

AUDITOR

Grant Thornton Hong Kong Limited
Certified Public Accountants

核數師

致同(香港)會計師事務所有限公司
執業會計師

LEGAL ADVISER

Skadden, Arps, Slate, Meagher & Flom

法律顧問

世達國際律師事務所

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

註冊辦事處

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG****

31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

香港主要營業地點****

香港
銅鑼灣勿地臣街1號
時代廣場二座31樓

*** Ms. LI Jin resigned as a joint company secretary of the Company with effect from 25 May 2018, and Ms. NG Sau Mei serves as the sole company secretary of the Company since then.

****The principal place of business of the Company in Hong Kong has been changed to 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong with effect from 31 May 2018.

*** 栗璡女士已辭任本公司聯席公司秘書，自二零一八年五月二十五日起生效，自此伍秀薇女士擔任本公司唯一公司秘書。

****本公司於香港主要營業地點更改為香港銅鑼灣勿地臣街1號時代廣場二座31樓，自二零一八年五月三十一日起生效。

Corporate Information (Continued)
公司資料(續)

HEADQUARTER

19/F, Tower B Fairmont, No. 1 Building, 33# Community
Guangshun North Street, Chaoyang District, Beijing, PRC

總部

中國北京市朝陽區廣順北大街33號
福碼大廈1號樓B座19樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square
Grand Cayman, KY1-1102, Cayman Islands

開曼群島股份過戶登記總處

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square
Grand Cayman, KY1-1102, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712–1716室

PRINCIPAL BANKERS

China Merchants Bank
China Minsheng Bank
Wing Lung Bank Limited

主要往來銀行

中國招商銀行
中國民生銀行
永隆銀行有限公司

COMPANY WEBSITES

www.ourgame.com
www.lianzhong.com

公司網站

www.ourgame.com
www.lianzhong.com

STOCK CODE

6899

股份代號

6899

Financial Highlights
財務摘要

		Year ended 31 December 截至十二月三十一日止年度		
		2018 二零一八年 RMB'000 人民幣千元 (Audited) (經審核)	2017 二零一七年 RMB'000 人民幣千元 (Audited) (經審核)	Changes 變動
Revenue	**收入**	**343,363**	377,758	–9%
Games revenue	遊戲收入	**266,847**	309,543	–14%
Non-Games revenue	非遊戲收入	**76,516**	68,215	12%
(Loss)/Profit attributable to equity holders of the Company	**本公司權益持有人應佔(虧損)／利潤**	**(622,970)**	(23,996)	2,496%
— Continuing operations[1]	—持續經營業務[1]	**(449,398)**	(139,872)	221%
— Discontinued operations[1]	—已終止經營業務[1]	**(173,572)**	115,876	–250%
Non-IFRS adjusted net (loss)**	**非國際財務報告準則經調整淨(虧損)****	**(668,476)**	(18,027)	3,608%
Attributable to equity holders of the Company	本公司權益持有人應佔	**(593,933)**	933	–63,758%
— Continuing operations[1]	—持續經營業務[1]	**(420,361)**	(114,943)	266%
— Discontinued operations[1]	—已終止經營業務[1]	**(173,572)**	115,876	–250%
Attributable to non-controlling interests	非控股權益應佔	**(74,543)**	(18,960)	293%
— Continuing operations[1]	—持續經營業務[1]	**(74,543)**	(18,960)	293%
— Discontinued operations[1]	—已終止經營業務[1]	**—**	—	—

[1] For the purpose of this annual report, discontinued operations refer to the business operations under the Divested Group as set out in the announcement of the Company dated 15 August 2018, and continuing operations refer to the remaining business operations of the Group.

** Non-IFRS adjusted net (loss)/profit was derived from the audited net (loss)/profit for the year excluding share-based compensation expense of RMB29.0 million (2017: RMB24.9 million).

[1] 就本年報而言，已終止經營業務指本公司日期為二零一八年八月十五日之公告所載剝離集團開展之業務經營，而持續經營業務指本集團餘下業務經營。

** 非國際財務報告準則經調整淨(虧損)／利潤來自年內的經審核淨(虧損)／利潤，不包括以股份為基礎的酬金開支人民幣29.0百萬元(二零一七年：人民幣24.9百萬元)。

Five Years Financial Summary
五年財務摘要

		2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	**2018** **二零一八年** **RMB'000** **人民幣千元**
Revenue	收入	475,769	769,625	871,148	377,758	343,363
Gross profit	毛利	294,500	459,436	461,951	122,048	125,527
Profit/(Loss) before income tax	除所得稅前利潤／（虧損）	111,599	139,145	146,499	(154,135)	(539,397)
DISCONTINUED OPERATIONS	已終止經營業務					
Profit/(Loss) for the year from discontinued operations	已終止經營業務年度利潤／(虧損)	—	—	—	115,876	(173,572)
Profit/(Loss) for the year	年度利潤／(虧損)	97,643	112,059	139,376	(42,956)	(697,513)
Attributable to equity holders of the Company	本公司權益持有人應佔	97,641	114,351	148,669	(23,996)	(622,970)
Attributable to non-controlling interests	非控股權益應佔	2	(2,292)	(9,293)	(18,960)	(74,543)
Non-IFRS adjusted net profit/(loss)	非國際財務報告準則經調整淨利潤／（虧損）	144,481	159,974	182,122	(18,027)	(668,476)
Attributable to equity holders of the Company	本公司權益持有人應佔	144,479	162,266	191,415	933	(593,933)
Attributable to non-controlling interests	非控股權益應佔	2	(2,292)	(9,293)	(18,960)	(74,543)
Assets and liabilities	資產及負債					
Total assets	總資產	965,306	1,191,945	1,428,881	1,618,212	1,266,430
Total liabilities	總負債	75,390	164,678	174,335	162,682	286,456
Total equity	總權益	889,916	1,027,267	1,254,546	1,455,530	979,974

Note:

During the year ended 31 December 2018, the Group decided to reorganise the PC Business under the Lianzhong Group which will effectively result in the disposal of Beijing Lianzhong Co., Ltd. and the divested businesses and on 15 August 2018, the Group entered into the reorganisation agreement. For the years ended 31 December 2018 and 2017, results of the PC Business under the Lianzhong Group were presented as a single line item of "discontinued operations" in the consolidated statement of profit or loss and other comprehensive income.

附註：

截至二零一八年十二月三十一日止年度，本集團決定重組聯眾集團項下的PC業務（將有效導致出售北京聯眾互動網絡股份有限公司及剝離業務），且於二零一八年八月十五日，本集團已訂立重組協議。截至二零一八年及二零一七年十二月三十一日止年度，聯眾集團項下的PC業績於綜合損益及其他全面收益表中呈列為「已終止經營業務」的單獨項目。

Chairman's Statement
主席報告

Dear Shareholders,

On behalf of the Board of Ourgame International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I hereby present to you the results of the Group for the year ended 31 December 2018.

The revenue of the Group decreased by RMB34.4 million to RMB343.4 million for the year ended 31 December 2018. The non-IFRS adjusted net profit decreased to a loss of RMB668.5 million for the year ended 31 December 2018. A majority of the loss was attributable to the one-time write-off and increase in provision for impairment of the carrying values of China card and board games businesses related intangible assets, goodwill, investments and trade and other receivables.

The year 2018 has been one of the most challenging periods for the Company. From the beginning of the year, we encountered unexpected and significant industry-wide regulatory headwinds in our China domestic card and board games business, which has been a key component of the Company's business. The suspension of new game permit issuance starting from the end of March 2018 has had a major impact as new games could not be launched and/or start receiving user payments, contributing to a significant market downturn in the industry as a whole. Regulations and regulatory practices on the approval, publishing and operation of card and board games in general and Texas Hold'em games in particular also became significantly more restrictive, thus making the operating environment challenging and with more risks and uncertainties. The Company's PC and mobile card and board games businesses were both adversely impacted by the uncertain government policies and administrative measures, in particular the Texas Hold'em and PC games in the PRC being affected the most. The regulatory changes and uncertainties were most significant in the first half of the year. Although there was better regulatory clarity as the second half of the year progressed, such regulatory changes and uncertainties caused a substantial downturn in revenue and profitability of the Company for the year as a whole.

致各股東，

本人代表聯眾國際控股有限公司(「**本公司**」，與其附屬公司統稱「**本集團**」)董事會茲此向　閣下提呈本集團截至二零一八年十二月三十一日止年度的業績。

截至二零一八年十二月三十一日止年度，本集團的收入減少人民幣34.4百萬元至人民幣343.4百萬元。截至二零一八年十二月三十一日止年度，非國際財務報告準則經調整淨利潤減少至虧損人民幣668.5百萬元。大部分虧損乃主要由於本集團一次性撇銷及增加與中國棋牌遊戲業務相關的無形資產、商譽、投資以及貿易及其他應收款項的賬面值減值撥備。

二零一八年是本公司最具挑戰性的時期之一。自年初以來，本公司業務的重要部分中國國內棋牌遊戲業務遭遇超乎預期的重大行業監管阻力。新遊戲自二零一八年三月底起遭暫停簽發許可證，而由於本公司未能推出新遊戲及／或就新遊戲開始收取用戶款項，此舉對本公司造成重大影響，整體而言導致該行業市場嚴重不景氣。有關審批、發佈及運營棋牌遊戲(尤其是德州撲克遊戲)的規定及監管措施已變得更加嚴格，致使運營環境極具挑戰性且面臨更大多的風險及不確定性。本公司的PC及移動棋牌遊戲業務均受到若干政府政策及行政措施所帶來的不利影響，特別對中國的德州撲克及PC遊戲影響至深。監管變動及不確定性於今年上半年的影響最大。雖然監管方面於今年下半年更具透明度，但有關監管的變動及不確定性導致本公司今年的收入及盈利能力整體大幅下降。

The Company has taken proactive and drastic actions to address these challenges and negate the impact of the market downturn experienced during the year. Given the challenging environment for the China card and board games business, the Company has resolutely but rationally optimized the number of staff across its mobile game and PC game businesses. Redundancy actions were taken, resulting in one-off restructuring costs but significant savings on ongoing operating costs. Cost saving actions were also taken across the board on decreasing leased office space, data center leases and other cost items that resulted in further reduction of expenses and optimization of the cost structure. The Company has restructured the PC games businesses that may be impacted by the uncertain government policies/administrative measures and outsourced the operation of those businesses to an independent third party, so that the Company could save the corresponding and significant operating costs and also achieve better operational risk management. The Company has also worked to shift the focus of its domestic PRC game operations onto games that are not impacted by the policy uncertainty and also launched major user base activation campaigns through email outreach and other means to re-activate long term dormant users. The actions taken have been effective and the Company's operational results have stabilized and seen improvement in the second half of the year, and in particular in the fourth quarter.

本公司已採取積極及激烈的行動應付挑戰，減輕今年市場不景所帶來的影響。鑒於中國棋牌遊戲業務的營商環境充滿挑戰，本公司已堅決且理性地優化其移動遊戲及PC遊戲業務的員工數目。因進行裁員行動導致出現一次性重組成本，惟此舉可大大削減未來營運成本。本公司亦透過減少租用辦公室空間、數據中心租賃及其他成本項目全面採取節省成本行動，得以進一步減少開支及優化成本架構。本公司已重構可能受到若干政府政策／行政措施影響的PC遊戲業務，並將該等業務的營運外包予一名獨立第三方，本公司從而可節省相應的重大營運成本，亦達致更佳的營運風險管理。本公司亦致力將其於中國國內遊戲營運的重心轉移至未受政策不確定性影響的遊戲，並推出針對主要用戶群的活化活動，透過發出電子郵件及其他方式讓長期靜止用戶重新活躍起來。該等行動已見效用，而本公司的營運業績表現已告穩定，且於今年下半年(尤其是第四季)更有顯著改善。

While we were addressing the challenges in our China domestic card and board games business, we continued to make progress on the Company's eSports and WPT businesses. In the first half of 2018, our eSports subsidiary, Allied eSports, officially opened its global flagship arena at the MGM Luxor Casino and Hotel in March in Las Vegas, U.S.A. The first major eSports event at the Las Vegas Arena held with the leading eSports streamer in the US resulted in record breaking viewership of 680 thousand peak concurrent viewers and more than 2.5 million unique viewers. It demonstrated Allied eSports' integrated and broad capabilities on property venue, tournament creation and management, and content production. The Allied eSports Las Vegas Arena has become an instant landmark and one of the most sought after venues for eSports tournament and content generation of the highest quality and caliber. The Group's WPT business continued to expand into new geographies and its TV programs continued to reach a growing TV audience of more than 140 million households worldwide as of December 2018. Its brand power continues to fuel the growth of its licensing business with partners including Zynga and its improved operation continued to reflect positively on its financials.

在著手應對中國國內棋牌遊戲業務挑戰的同時，我們繼續在本公司的電子競技及WPT業務上取得進展。於二零一八年上半年，我們從事電競業務的附屬公司聯盟電競的全球電競場館旗艦店，已於三月在美國拉斯維加斯美高梅盧克索娛樂場酒店正式開業。其首場大型電子競技賽事活動與美國排名最高的電競網紅合作，創造了68萬人同時觀看的峰值收視率以及超過250萬人次的單獨觀看量。這充分展示了聯盟電競在物業場地、賽事創建及管理以及內容製作方面所擁有的綜合而廣泛的實力。聯盟電競拉斯維加斯電競場館已成為電競錦標賽高質量及高水準內容生成的即時標誌及最受追捧的場地之一。本集團的WPT業務繼續擴展至新的地區，截至二零一八年十二月，其電視節目繼續覆蓋全球超過140百萬戶的收視家庭。WPT的品牌影響力繼續促進其與合作夥伴(包括Zynga)之間許可業務的增長，其持續改善的運營亦對其財務狀況產生積極影響。

The Company announced the signing of a definitive agreement on 19 December 2018, pursuant to which Allied eSports and WPT are expected to merge, subject to shareholder and regulatory approvals and satisfaction of other conditions to closing, with a Nasdaq listed company, Black Ridge Acquisition Corporation (stock symbol "BRACU") ("**Black Ridge**"), to form a holding company of the Allied eSports and WPT businesses, Allied Esports Entertainment, Inc. ("**AESWPT Holdco**"). As mentioned in the Company's announcement dated 24 December 2018, the consideration for the Allied eSports and WPT assets is expected to amount to approximately US$203 million (comprising common stock, warrants and contingent stock of Black Ridge, and cash to the Company). Immediately after such merger, AESWPT Holdco will continue to be an indirect non-wholly owned subsidiary of the Company through the significant control the Company will exercise over it by virtue of being the single largest shareholder of Black Ridge and its appointment of a majority of the board of directors of Black Ridge. As a result, the Company expects to consolidate the financial results of AESWPT Holdco into the financial statements of the Company following the merger. The Company believes that the merger is a transformative transaction that elevates the Allied eSports and WPT businesses to the next level, unlocking significant value for the Company and its shareholders, and providing the Company with access to significant cash resources to finance its continued international expansion. eSports is one of the most significant consumer entertainment trends with vast number of users. The Company has been investing in eSports since 2014 with the initial investment into Wangyu Wangka. The merger with Black Ridge and listing of Allied eSports and WPT is a cumulative recognition of the Company's multi-year efforts and will lay the foundation for more and faster growth on this sector to come. The merger remains subject to a number of conditions to completion and the Company will provide further updates in due course.

本公司於二零一八年十二月十九日宣佈簽訂最終協議，據此，預期聯盟電競及WPT將會與納斯達克上市公司Black Ridge Acquisition Corporation(股份代號：BRACU，「**Black Ridge**」)合併以組成聯盟電競及WPT業務的控股公司Allied Esports Entertainment, Inc.(「**AESWPT控股公司**」)，惟須待股東批准及獲得監管批核以及符合其他條件，方可交割。誠如本公司日期為二零一八年十二月二十四日的公告所述，預期聯盟電競及WPT資產的代價約為203百萬美元，包括Black Ridge的普通股、認股權證及或然股份，以及給予本公司的現金)。緊隨該項合併後，鑒於本公司為Black Ridge的唯一最大股東並可委任Black Ridge董事會大多數席位，本公司因而對Black Ridge行使重大控制權，故AESWPT控股公司將繼續為本公司的間接非全資附屬公司。因此，本公司預期於合併後將AESWPT控股公司的財務業績將綜合計入本公司的財務報表。本公司相信，該合併為一項轉型交易，有助提升聯盟電競及WPT業務到另一水平、向本公司及其股東釋出重大價值，且讓本公司提供可獲取重大現金資源的途徑以撥付其於全球進行拓展。電子競技為最重要的消費娛樂趨勢之一，用戶數目眾多。本公司自二零一四年起通過首次注資Wangyu Wangka投資電子競技。與Black Ridge的合併以及聯盟電競及WPT的上市地位肯定了本公司多年來的努力，並將奠定基礎讓業界繼續快速增長。該合併能否完成仍須視乎能否達到若干條件而定，本公司將適時提供進一步的最新消息。

Despite the challenges in 2018, we believe we have turned a difficult page. Going forward, we believe the Company's businesses all hold great promise. The China business, after cost cutting and optimization, as well as with gradually more regulatory clarity, will now look for opportunities to grow again. The merger with Black Ridge, should it be consummated, will turbo charge the growth of WPT and Allied eSports and the Company as the single largest shareholder of AESWPT Holdco will continue to enjoy the benefits of this growth. In summary, we continue to be strongly confident in the Company's future prospects and will continue our endeavors to pursue them.

儘管於二零一八年湧現各種挑戰，但我們認為困難處境已經翻篇。展望未來，我們相信本公司的業務前景一片光明。成本削減及優化後的中國業務，加上透明度愈來愈高的監管制度將助力我們尋求下一次增長的機遇。倘能落實與Black Ridge合併，將可帶動WPT及聯盟電競急速發展，而本公司作為AESWPT控股公司唯一最大股東將繼續受惠於此增長所帶來的好處。總括而言，我們將繼續對本公司未來前景充滿信心，並將繼續努力邁步向前。

Management Discussion and Analysis
管理層討論及分析

FINANCIAL REVIEW

1. Overview

The loss attributable to equity holders of the Company amounted to RMB623.0 million (which comprised loss of RMB449.4 million from continuing operations and loss of RMB173.6 million from discontinued operations) for the year ended 31 December 2018, as compared with loss attributable to equity holders of the Company of RMB24.0 million (which comprised loss of RMB139.9 million from continuing operations and profit of RMB115.9 million from discontinued operations) for the year ended 31 December 2017.

Non-IFRS adjusted net loss* attributable to equity holders of the Company amounted to RMB593.9 million for the year ended 31 December 2018, as compared with non-IFRS adjusted net profit* attributable to equity holders of the Company of RMB0.9 million for the year ended 31 December 2017.

* Non-IFRS adjusted net (loss)/profit was derived from the audited loss for the years excluding share-based compensation expense.

2. Revenue

In 2018, revenue of the Group from continuing operations amounted to RMB343.4 million, representing a decrease of RMB34.4 million or 9.1% as compared with RMB377.8 million in 2017. The decrease was mainly due to unexpected changes in our market environment.

3. Cost of Revenue and Gross Profit Margin

In 2018, cost of revenue of the Group from continuing operations amounted to RMB217.8 million, representing a decrease of RMB37.9 million or 14.8% as compared with RMB255.7 million in 2017. The resulting gross profit margin increased from 32.3% for the year ended 31 December 2017 to 36.6% for the year ended 31 December 2018. The increase was mainly due to cost control during the year.

財務回顧

1. 概覽

截至二零一八年十二月三十一日止年度，本公司權益持有人應佔虧損為人民幣623.0百萬元(包括持續經營業務虧損人民幣449.4百萬元及已終止經營業務虧損人民幣173.6百萬元)，而截至二零一七年十二月三十一日止年度，本公司權益持有人應佔虧損為人民幣24.0百萬元(包括持續經營業務虧損人民幣139.9百萬元及已終止經營業務利潤人民幣115.9百萬元)。

截至二零一八年十二月三十一日止年度，本公司權益持有人應佔的非國際財務報告準則經調整淨虧損*為人民幣593.9百萬元，而截至二零一七年十二月三十一日止年度，本公司權益持有人應佔的非國際財務報告準則經調整淨利潤*為人民幣0.9百萬元。

* 非國際財務報告準則經調整淨(虧損)／利潤來自年內的已經審核虧損，不包括以股份為基礎的酬金開支。

2. 收入

於二零一八年，本集團持續經營業務所得收入為人民幣343.4百萬元，較二零一七年的人民幣377.8百萬元減少人民幣34.4百萬元或9.1%。減少主要由於我們的市場環境發生意外變動所致。

3. 收入成本及毛利率

於二零一八年，本集團持續經營業務的收入成本為人民幣217.8百萬元，較二零一七年的人民幣255.7百萬元減少人民幣37.9百萬元或14.8%，使得毛利率由截至二零一七年十二月三十一日止年度的32.3%增加至截至二零一八年十二月三十一日止年度的36.6%。增加主要由於年內的成本控制所致。

4. Other Income

In 2018, other income of the Group from continuing operations amounted to RMB19.6 million, representing a decrease of RMB23.8 million or 54.9% as compared with RMB43.5 million in 2017. This was primarily due to the lack of gain on partial disposal of an associate for the year ended 31 December 2018.

5. Selling and Marketing Expenses

In 2018, selling and marketing expenses of the Group from continuing operations amounted to RMB75.2 million, representing a decrease of RMB78.1 million or 50.9% as compared with RMB153.3 million in 2017. The decrease was mainly due to cost control in light of changes in market environment during the year.

6. Administrative Expenses

In 2018, administrative expenses of the Group from continuing operations amounted to RMB371.3 million, representing an increase of RMB268.7 million or 262.0% as compared with RMB102.6 million in 2017. The increase was mainly due to our acquisition of eSports Arena LLC ("**eSports Arena**") and Nanjing Haoyun Meicheng Electronics Co., Ltd becoming our subsidiaries during the year and its expenses being fully consolidated into our Group.

7. Research and Development Expenses

In 2018, research and development expenses of the Group from continuing operations amounted to RMB10.9 million, representing a decrease of RMB27.4 million or 71.5% as compared with RMB38.3 million in 2017. The decrease was mainly due to the reduction of preparation for new versions of mobile games and costs incurred in associated research and development activities.

8. Fair Value Changes of Financial Assets at Fair Value through Profit or Loss

In 2018, gain on fair value changes of financial assets at fair value through profit or loss of the Group amounted to RMB8.2 million, as compared with nil in 2017. The increase was mainly due to our investee companies' increased fair value during the year.

4. 其他收入

於二零一八年，本集團持續經營業務的其他收入為人民幣19.6百萬元，較二零一七年的人民幣43.5百萬元減少人民幣23.8百萬元或54.9%。此乃主要由於截至二零一八年十二月三十一日止年度內欠缺部分出售一家聯營公司之收益所致。

5. 銷售及市場推廣費用

於二零一八年，本集團持續經營業務的銷售及市場推廣費用為人民幣75.2百萬元，較二零一七年的人民幣153.3百萬元減少人民幣78.1百萬元或50.9%。減少乃主要由於年內為應對市場環境變化進行成本控制所致。

6. 行政開支

於二零一八年，本集團持續經營業務的行政開支為人民幣371.3百萬元，較二零一七年的人民幣102.6百萬元增加人民幣268.7百萬元或262.0%。增加乃主要由於我們年內收購已成為我們附屬公司的eSports Arena LLC(「**eSports Arena**」)及南京好運美成電子科技有限公司成為我們的附屬公司，而其開支已悉數合併至本集團所致。

7. 研發費用

於二零一八年，本集團持續經營業務的研發費用為人民幣10.9百萬元，較二零一七年的人民幣38.3百萬元減少人民幣27.4百萬元或71.5%。減少乃主要由於籌備新版移動遊戲及相關研發活動產生的成本減少所致。

8. 按公允值計入損益的金融資產之公允值變動

於二零一八年，本集團按公允值計入損益的金融資產之公允值變動收益為人民幣8.2百萬元，而二零一七年為零。增加乃主要由於年內我們的被投資公司公允值增加所致。

9. Fair Value Changes of Contingent Consideration Payables

In 2018, gain on fair value changes of contingent consideration payables of the Group amounted to RMB45.3 million, representing an increase of RMB38.4 million or 556.5% as compared with RMB6.9 million in 2017. The increase was mainly due to fair value changes of profit guarantee in the acquisition of Nanjing Haoyun Meicheng Electronics Co., Ltd.

9. 應付或然代價之公允值變動

於二零一八年，本集團應付或然代價之公允值變動收益為人民幣45.3百萬元，較二零一七年的人民幣6.9百萬元增加人民幣38.4百萬元或556.5%。增加乃主要由於收購南京好運美成電子科技有限公司的溢利擔保之公允值變動所致。

10. Impairment of Assets

In 2018, in light of changes in market environment during the year, the Group wrote-down substantially on the carrying values of the assets relating to the PRC card and board games businesses.

The impairment of assets amounted to RMB358.6 million. The impaired assets included the China domestic card and board games related intangible assets (which mainly related to game intellectual properties, trademark and licenses, development costs and customer relationships), goodwill, interests in associates and trade and other receivables. For trade and other receivables, the Group had fully impaired the receivables that were considered unrecoverable, while for the rest the Group had applied various percentages according to the Group policy. The Company considered that the receivables not being impaired are recoverable.

10. 資產減值

於二零一八年，為應對年內市場環境的變動，本集團已撇銷與中國棋牌遊戲業務相關資產的絕大部分賬面值。

資產減值達人民幣358.6百萬元。已減值資產包括與中國國內棋牌遊戲相關的無形資產(主要有關遊戲知識產權、商標及牌照、開發成本及客戶關係)、商譽、於聯營公司的權益以及貿易及其他應收款項。就貿易及其他應收款項而言，本集團已將被視為不可收回的應收款項悉數減值，而本集團餘下款項根據本集團政策將應用不同百分比。本公司認為不予減值的應收款項均為可收回。

11. Loss Attributable to Equity Holders of the Company

The loss attributable to equity holders of the Company amounted to RMB623.0 million (which comprised loss of RMB449.4 million from continuing operations and loss of RMB173.6 million from discontinued operations) for the year ended 31 December 2018, as compared with loss attributable to equity holders of the Company of RMB24.0 million (which comprised loss of RMB139.9 million from continuing operations and profit of RMB115.9 million from discontinued operations) for the year ended 31 December 2017. The decrease was mainly due to unexpected changes in our market environment.

11. 本公司權益持有人應佔虧損

截至二零一八年十二月三十一日止年度，本公司權益持有人應佔虧損為人民幣623.0百萬元(包括持續經營業務虧損人民幣449.4百萬元及已終止經營業務虧損人民幣173.6百萬元)，而截至二零一七年十二月三十一日止年度，本公司權益持有人應佔虧損為人民幣24.0百萬元(包括持續經營業務虧損人民幣139.9百萬元及已終止經營業務利潤人民幣115.9百萬元)。減少乃主要由於我們的市場環境發生意外變動所致。

12. Non-IFRS Measure — Adjusted Net (Loss)/Profit

To supplement this annual report which is presented in accordance with the International Financial Reporting Standards ("**IFRS**"), we also use audited non-IFRS adjusted net loss/profit* attributable to equity holders of the Company as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business.

In 2018, the audited non-IFRS adjusted net loss attributable to equity holders of the Company amounted to RMB593.9 million, as compared with the audited non-IFRS adjusted net profit attributable to equity holders of the Company of RMB0.9 million for the year ended 31 December 2017.

Our audited non-IFRS adjusted net loss/profit* attributable to equity holders of the Company for 2018 and 2017 were derived from loss attributable to equity holders of the Company for the years excluding share based compensation expense of RMB29.0 million (2017: RMB24.9 million).

* Non-IFRS adjusted net loss/profit was derived from the audited loss for the year excluding share-based compensation expense.

13. Income Tax Credit/Expense

In 2018, income tax credit of the Group from continuing operations amounted to RMB15.5 million, as compared to income tax expense of RMB4.7 million in 2017. The income tax credit mainly due to deferred tax credited to income statement along with intangible assets recognised on Nanjing Haoyun Meicheng Electronics Co., Ltd.

14. Liquidity and Source of Funding and Borrowing

In 2018, the Group's total bank balances and cash decreased by 34.2% from RMB247.4 million as at 31 December 2017 to RMB162.7 million as at 31 December 2018. The decrease was primarily a result of the cash payments for our acquisition of property, plant and equipment and intangible assets and payments for our acquisition of subsidiaries, offset by funds from issue of new shares during the year.

12. 非國際財務報告準則計量 — 經調整淨(虧損)/利潤

為補充本年報(根據國際財務報告準則(「**國際財務報告準則**」)呈列),我們亦採用本公司權益持有人應佔已經審核非國際財務報告準則經調整淨虧損/利潤*為額外財務計量,透過撇除我們認為非業務表現指標項目的影響,來評估我們的財務表現。

於二零一八年,本公司權益持有人應佔經審核非國際財務報告準則經調整淨虧損為人民幣593.9百萬元,而截至二零一七年十二月三十一日止年度,本公司權益持有人應佔已經審核非國際財務報告準則經調整淨利潤為人民幣0.9百萬元。

於二零一八年及二零一七年,本公司權益持有人應佔已經審核非國際財務報告準則經調整淨虧損/利潤*來自期內本公司權益持有人應佔虧損,不包括以股份為基礎的酬金開支人民幣29.0百萬元(二零一七年:人民幣24.9百萬元)。

* 非國際財務報告準則經調整淨虧損/利潤來自年內的已經審核虧損,不包括以股份為基礎的酬金開支。

13. 所得稅抵免/開支

於二零一八年,本集團持續經營業務的所得稅抵免為人民幣15.5百萬元,而於二零一七年則為所得稅開支人民幣4.7百萬元。所得稅抵免主要由於計入收益表的遞延稅項連同對南京好運美成電子科技有限公司確認的無形資產所致。

14. 流動資金與資金及借款來源

於二零一八年,本集團的銀行結餘及現金總額由二零一七年十二月三十一日的人民幣247.4百萬元減少34.2%至二零一八年十二月三十一日的人民幣162.7百萬元。有關減少主要由於年內就收購物業、廠房及設備以及無形資產產生現金付款,加上收購附屬公司產生付款,由發行新股份供管理層認購所得資金抵銷所致。

As at 31 December 2018, the current assets of the Group amounted to RMB445.1 million, including bank balances and cash of RMB162.7 million, other current assets of RMB237.1 million and assets included in disposal group classified as held for sale of RMB45.3 million. Current liabilities of the Group amounted to RMB253.0 million, of which trade and other payables and deferred revenue of RMB122.0 million, convertible bonds of RMB70.3 million, other current liabilities of RMB44.1 million and liabilities included in disposal group classified as held for sale of RMB16.6 million. As at 31 December 2018, the current ratio (the current assets to current liabilities ratio) of the Group was 1.76 as compared to 4.90 as at 31 December 2017. Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group's gearing ratio was nil (2017: nil). The Group currently intends to finance future expansion, investments and business operations primarily with internal resources, but may explore other financing sources in appropriate circumstances.

於二零一八年十二月三十一日，本集團的流動資產為人民幣445.1百萬元，包括銀行結餘及現金人民幣162.7百萬元、其他流動資產人民幣237.1百萬元，及計入分類為持作出售之出售組別之資產人民幣45.3百萬元。本集團的流動負債為人民幣253.0百萬元，其中貿易及其他應付款項及遞延收入為人民幣122.0百萬元、可換股債券為70.3百萬元、其他流動負債為人民幣44.1百萬元，及計入分類為持作出售之出售組別之負債為人民幣16.6百萬元。於二零一八年十二月三十一日，本集團的流動比率(流動資產對流動負債的比率)為1.76，而於二零一七年十二月三十一日為4.90。資產負債比率乃按借款總額(扣除現金及現金等價物)佔本集團總權益的比率計算。本集團的資產負債比率為零(二零一七年：零)。本集團當前擬主要以內部資源為未來擴張、投資及業務經營撥資，惟可能在適當的情形下探索其他融資來源。

15. Material Investments

Save as disclosed in the announcement of the Company dated 24 December 2018 in relation to the potential merger with Black Ridge, the Group did not have any material investment during the year ended 31 December 2018.

15. 重大投資

除本公司日期為二零一八年十二月二十四日關於與Black Ridge的潛在合併之公告所披露外，本集團於截至二零一八年十二月三十一日止年度並無任何重大收購。

16. Material Acquisitions

For the year ended 31 December 2018, the Group acquired 100% interests in Nanjing Haoyun Meicheng Electronics Co., Ltd. at a total consideration of RMB220,000,000, among which RMB136,000,000 shall be settled in cash and RMB84,000,000 shall be settled in issuing consideration shares. The Group also acquired further shareholding in the associate, eSports Arena at a cash consideration of USD1,484,295 and a commitment of USD40 million for the growth and development plan of eSports Arena by 31 January 2020. The shareholding increased from 18% to 82.44% upon completion of this acquisition. Any shortfall in the USD40 million commitment amount by 31 January 2020 shall trigger a decrease in the Group's shareholding pro rata to the shortfall. In August 2018, it was subsequently disposed 57.44% shareholding and hence no commitment existed as at year end.

16. 重大收購

截至二零一八年十二月三十一日止年度，本集團收購南京好運美成電子科技有限公司100%的權益，總代價為人民幣220,000,000元，其中人民幣136,000,000元須以現金結算，另人民幣84,000,000元須以發行代價股份結算。此外，本集團以現金代價1,484,295美元以及有關eSports Arena於二零二零年一月三十一日之前增長及發展計劃承諾40百萬美元收購聯營公司eSports Arena更多股權。此項收購完成後，本集團於eSports Arena的股權由18%增加至82.44%。於二零二零年一月三十一日之前，40百萬美元承諾的任何不足部分將引致本集團於eSports Arena的股權按不足部分比率減少。於二零一八年八月，期後出售57.44%股權。因此，於年末沒有承諾。

17. Financial Assets at Fair Value Through Profit or Loss

The Group makes investments in financial assets at fair value through profit or loss for the purposes of (i) supplementing the Group's games portfolio to drive higher monetization of our user base and profitability, (ii) exploring new business opportunities in related areas of our business eco-system for acquisitions and strategic and operational synergies and also leveraging on external financial resources for expertise and scale. As at 31 December 2018, the Group's financial assets at fair value through profit or loss amounted to RMB109.1 million (31 December 2017: available-for-sale financial assets of RMB174.3 million).

As at 31 December 2018, the Group's investments in unlisted equity investments amounted to RMB95.8 million, which included direct equity investments in selected startup companies mainly engaged in games or mind sports related technological research and development and direct subscription to the interests in private equity funds ("**Private Equity Funds**") that focus on providing early-stage funding for companies in the mind sports sector. A breakdown of the majority of these investments is set out below:

17. 按公允值計入損益的金融資產

本集團於按公允值計入損益的金融資產作出投資旨在(i)補充本集團的遊戲組合，以推動我們用戶流量變現及提升盈利能力，(ii)探索業務生態系統相關領域的新業務機遇，以進行收購及產生戰略性運營協同效應，同時借助外部財務來源獲得專業知識及擴大規模。於二零一八年十二月三十一日，本集團按公允值計入損益的金融資產為人民幣109.1百萬元(二零一七年十二月三十一日：可供出售金融資產為人民幣174.3百萬元)。

於二零一八年十二月三十一日，本集團於非上市權益投資的投資為人民幣95.8百萬元，包括於選定創業公司(主要從事遊戲或智力運動相關的技術研發)的直接權益投資及直接認購私募股權基金(該等公司集中於為智力運動公司提供前期融資)(「**私募股權基金**」)的權益。該等投資的大致明細載列如下：

Name of Investee Company 被投資公司名稱	Amount of Capital Contributed by the Group 本集團注資金額 RMB'000 人民幣千元	Percentage of Shareholding 持股百分比	Principal Business 主要業務
Beijing Leti Wofu Culture Communication Co., Ltd. 北京樂體沃夫文化傳播有限公司	2,600	13%	Offline sports venues operation 線下體育場館經營
Beijing Yilian Investment Centre (L.P.) 北京億聯投資中心(有限合夥)	5,000	5%	Investment/ management 投資／管理
Gong Qing Cheng Wujiang Xingyao Investment Management Partnership (L.P.) 共青城五疆星耀投資管理合夥企業(有限合夥)	20,000	8.6347%	Investment/ management 投資／管理
Beijing Zhongchuang Yonglian Investment Management Centre (L.P.) 北京眾創永聯投資管理中心(有限合夥)	23,000	22.77%	Investment/ management 投資／管理
Hang Zhou Lehu Investment Partnership (L.P.) 杭州樂互投資合夥企業(有限合夥)	10,000	19.61%	Investment/ management 投資／管理
Tong Xiang Juli Fengyuan Equity Investment Fund Management Partnership (L.P.) 桐鄉聚力豐遠股權投資基金管理合夥企業(有限合夥)	20,000	39.2%	Investment/ management 投資／管理

All these startup companies invested by the Group are in relatively early stage, and are mainly focused on product development and launching. For the year ended 31 December 2018, no dividends have been paid from invested startup companies. Our Private Equity Funds were also actively seeking and providing funds for early stage companies in the Internet, sports and entertainment segment, which could provide us with a platform to leverage on our experience and resources, and to minimize our investment risks. We believe that our investment initiative is an important aspect of our vision to build up our ecosystem as a whole. The Group will continue to seek other investment opportunities that not only create synergies on different levels but also offer high-yield return potential. The Group will continue to monitor its investment in financial assets at fair value through profit or loss in a responsible manner. There are no financial assets at fair value through profit or loss in the Group's investment portfolio that individually constitutes significant investment as none of the investments has a carrying amount that accounts for more than 5% of the Group's total assets as at 31 December 2018.

本集團投資的所有該等創業公司均處於相對早期階段，主要集中於產品開發及推出。截至二零一八年十二月三十一日止年度，被投資創業公司並無派付股息。我們的私募股權基金亦積極尋求互聯網、體育、娛樂行業的早期公司，並為該等公司提供資金，在為構建利用我們自身經驗及資源的平台的同時降低我們的投資風險。我們認為我們的投資舉措為建立我們的整體生態系統願景的重要方面。本集團將繼續尋求不同層面上創造協同效益同時亦提供高回報潛力的其他投資機遇。本集團將持續盡責地監察其按公允值計入損益的金融資產投資。於二零一八年十二月三十一日，由於有關投資的賬面值並無佔據本集團總資產5%以上，故本集團投資組合的按公允值計入損益的金融資產投資並無個別構成重大投資。

Movements of Financial Assets at Fair Value Through Profit or Loss

The movements of financial assets at fair value through profit or loss for the year ended 31 December 2018 are set out below:

按公允值計入損益的金融資產變動

截至二零一八年十二月三十一日止年度之按公允值計入損益的金融資產變動載列如下：

		Unlisted equity investments 非上市權益投資 RMB'000 人民幣千元	Listed debt investments 上市債務投資 RMB'000 人民幣千元	Unlisted debt investments 非上市債務投資 RMB'000 人民幣千元	Unlisted financial products 非上市金融產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance as at 1 January 2018	於二零一八年一月一日之結餘	154,344	—	—	20,000	174,344
Effects on adoption of IFRS 9	採納國際財務報告準則第9號之影響	(70,652)	—	—	—	(70,652)
Reclassification	重新分類	(6,883)	—	10,890	—	4,007
Additions	添置	18,080	6,417	—	20,000	44,497
Disposals	出售	(4,839)	(6,417)	—	(40,000)	(51,256)
Fair value changes*	公允值變動*	5,732	—	2,396	—	8,128
Balance as at 31 December 2018	於二零一八年十二月三十一日之結餘	95,782	—	13,286	—	109,068

* Included fair value changes of financial assets at fair value through profit or loss in discontinued operations.

* 包括已終止經營業務的按公允值計入損益的金融資產變動。

18. Material Disposals

On 15 August 2018, the Company entered into the reorganisation agreement (the "**Reorganisation Agreement**") with Beijing Lianzhong Co., Ltd. ("**Beijing Lianzhong**"), Beijing Lianzhong Garden Network Technology Co., Ltd.* (北京聯眾家園網絡科技有限責任公司) (the "**WFOE**"), Fei La Er Fashion (Beijing) Technology Co., Ltd.* (費拉爾時尚(北京)科技有限公司) (the "**New PRC Holdco**") and the shareholders of Beijing Lianzhong ("**Beijing Lianzhong Shareholders**"), pursuant to which Beijing Lianzhong will retain the Ourgame Hall, Poker World and relevant board and card game businesses (the "**Divested Businesses**"), while the remaining businesses and assets, including but not limited to certain subsidiaries and all intellectual property rights ("**IPRs**"), will be transferred to the New PRC Holdco, a wholly-owned subsidiary of Beijing Lianzhong (the "**Reorganisation**"). The WFOE will then (i) enter into the new contractual arrangements with the New PRC Holdco and Beijing Lianzhong (as the registered shareholder of the New PRC Holdco) pursuant to which the Company will establish and retain control over, and enjoy the financial benefits of, the business and assets held by the New PRC Holdco, and (ii) terminate the existing contractual arrangements with Beijing Lianzhong and the Beijing Lianzhong Shareholders, which will effectively result in the disposal of Beijing Lianzhong (including relevant subsidiaries and entities) and the Divested Businesses (other than the equity interest in the New PRC Holdco controlled through the new contractual arrangements) (the "**Proposed Disposal**").

In addition, pursuant to the Reorganisation Agreement, the New PRC Holdco will grant certain licenses to Beijing Lianzhong to use any IPRs relating to the Divested Businesses within China, starting from the date of completion of the transfer of all IPRs, certain subsidiaries and other assets of Beijing Lianzhong to the New PRC Holdco by means of capital increase or other method, for a license fee.

On 15 August 2018, Beijing Lianzhong and Beijing Maipu Taiqi Technology Co., Ltd.* (北京邁普太奇科技有限公司) ("**Beijing MPTQ**"), an independent third party, entered into the exclusive operation agreement (the "**Exclusive Option Agreement**"), pursuant to which Beijing Lianzhong will entrust, exclusively, Beijing MPTQ with all of Beijing Lianzhong's rights relating to the operation of the Divested Businesses between the date of the Exclusive Operation Agreement and the completion date of the Reorganisation Agreement.

18. 重大出售

於二零一八年八月十五日，本公司與北京聯眾互動網絡股份有限公司(「**北京聯眾**」)、北京聯眾家園網絡科技有限責任公司(「**外商獨資企業**」)、費拉爾時尚(北京)科技有限公司(「**新境內控股公司**」)及北京聯眾的股東(「**北京聯眾股東**」)訂立重組協議(「**重組協議**」)，據此，北京聯眾將保留「聯眾大廳」、「撲克世界」及相關棋牌遊戲業務(「**剝離業務**」)，而餘下業務及資產(包括但不限於若干附屬公司及全部知識產權(「**知識產權**」))將轉讓予新境內持股公司(北京聯眾之全資附屬公司)(「**重組**」)。外商獨資企業則繼而將(i)與新境內持股公司及北京聯眾(作為新境內持股公司之登記股東)訂立新合約安排，據此，本公司將建立並保留對新境內持股公司所持業務及資產之控制權並享有其財務利益，及(ii)終止與北京聯眾及北京聯眾股東之現有合約安排，此舉將實際上導致出售北京聯眾(包括相關附屬公司及實體)及剝離業務(於新境內持股公司透過新合約安排控制的股本權益除外)(「**建議出售**」)。

此外，根據重組協議，新境內控股公司將向北京聯眾授出若干牌照，自北京聯眾之所有知識產權、若干附屬公司及其他資產透過增資或其他方法轉讓至新境內控股公司交割日期起，於中國境內使用與剝離業務相關之任何知識產權，以收取許可費。

於二零一八年八月十五日，北京聯眾與北京邁普太奇科技有限公司(「**北京邁普太奇**」)(為獨立第三方)訂立獨家合作協議(「**獨家運營協議**」)，據此，於獨家運營協議日期起至重組協議交割日期止期間，北京聯眾將其有關營運剝離業務的所有權利獨家授權予北京邁普太奇。

Given that the objectives of the Proposed Disposal of the Divested Businesses have already been substantively met by the Exclusive Operation Arrangement, and in order not to incur any further costs, expenses and management time on the Reorganisation and Proposed Disposal, the Board has determined to postpone the Reorganisation or the Proposed Disposal.

鑒於建議出售剝離業務之絕大部分目標均已透過獨家運營安排達成，而務求不對重組及建議出售產生任何進一步成本、開支及管理時間，故董事會已決定延遲重組或建議出售。

Further details of the Reorganisation or the Proposed Disposal are set out in the announcements of the Company dated 15 August 2018 and 31 October 2018.

有關重組或建議出售之進一步詳情載於本公司日期為二零一八年八月十五日及二零一八年十月三十一日之公告。

Save as disclosed, the Group did not have any material disposals of subsidiaries or associated companies during the year ended 31 December 2018.

除所披露者外，截至二零一八年十二月三十一日止年度，本集團並無任何重大出售附屬公司或聯營公司事項。

19. Pledge of Assets

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

19. 資產抵押

於二零一八年十二月三十一日，本集團並無已抵押資產(二零一七年：無)。

20. Contingent Liabilities

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

20. 或然負債

於二零一八年十二月三十一日，本集團並無重大或然負債(二零一七年：無)。

21. Foreign Exchange Exposure

During the year ended 31 December 2018, the Group mainly operated in China and in the United States of America and the majority of its transactions were settled in Renminbi ("**RMB**") or USD, being the functional currencies of the Group entities to which the transactions relate. As at 31 December 2018, the Group did not have significant foreign currency exposure from its operations.

21. 外匯風險

截至二零一八年十二月三十一日止年度，本集團主要於中國及美國經營，且其大部分交易以人民幣(「**人民幣**」)或美元(為交易相關集團實體的功能貨幣)結算。於二零一八年十二月三十一日，本集團之業務並無重大外匯風險。

22. Employee's Remuneration and Policy

As at 31 December 2018, the Group had 265 employees, 125 of which were responsible for games development and operation or general administration in the People's Republic of China (including Hong Kong), 88 for esports business, and 52 for WPT business. The total remuneration expenses (including share-based compensation expense) for the year ended 31 December 2018 were RMB148.6 million, representing an increase of 14.3% as compared to the previous year.

22. 僱員薪酬及政策

於二零一八年十二月三十一日，本集團共僱用265名僱員，其中125名於中華人民共和國(包括香港)負責遊戲策劃與運營或一般行政、88名負責電競業務，及52名負責WPT業務。截至二零一八年十二月三十一日止年度的薪酬開支總額(包括以股份為基礎的酬金開支)為人民幣148.6百萬元，較上一年度增加14.3%。

We provide external and internal training programs to our employees. As required by PRC law, we participate in various employee benefit plans, including housing pension, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance.

我們為僱員提供外部及內部培訓計劃。應中國法律要求，我們參與各類僱員福利計劃，包括住房、醫療、基本養老保險及失業福利計劃、工傷及產假保險。

23. Events Occurred since the End of the Year Ended 31 December 2018

On 6 March 2019 (U.S. time), WPT Enterprises Inc., a subsidiary of the Company, entered into a five-year strategic alliance with TV Azteca SAB de CV (the "**Strategic Alliance Agreement**"), a company listed on the Mexican Stock Exchange (stock code: AZTECACP) and a company of Grupo Salinas, to bring WPT's poker content library to growing Latin America audience. In addition, Allied Esports International, Inc., a subsidiary of the Company, entered into an agreement with Grupo Salinas to work toward developing and launching an eSports strategy in Mexico. Further details of the Strategic Alliance Agreement are set out in the announcement of the Company dated 7 March 2019.

23. 自截至二零一八年十二月三十一日止年度末以來發生之事項

於二零一九年三月六日(美國時間),本公司附屬公司WPT Enterprises Inc.與TV Azteca SAB de CV(一家於墨西哥證券交易所上市的公司(股份代號:AZTECACP)及Grupo Salinas的成員公司)訂立五年戰略合作協議(「**戰略合作協議**」),從而將WPT的撲克內容庫帶給越來越多的拉丁美洲觀眾。此外,本公司附屬公司Allied Esports International, Inc.與Grupo Salinas訂立一份協議,以致力於在墨西哥開發及推出電子競技戰略。有關戰略合作協議之進一步詳情載於本公司日期為二零一九年三月七日之公告。

24. Future Plans for Material Investments or Capital Assets

Save as disclosed in this annual report, the Group has no other future plans for material investments or capital assets.

24. 重大投資或資本資產之未來計劃

除本年報所披露者外,本集團概無其他有關重大投資或資本資產之未來計劃。

Directors' Report
董事會報告

The Board hereby presents its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

董事會茲此提呈本報告連同本集團截至二零一八年十二月三十一日止年度之經審計綜合財務報表。

1. PRINCIPAL ACTIVITIES

The principal activities of the Group for the year ended 31 December 2018 are online card and board game development and operation, World Poker Tour business ("**WPT Business**") and eSports business. The activities of our principal subsidiaries are set out in Note 15 to the consolidated financial statements.

The analysis of the Group's revenues and segment information are set out in Note 5 to the consolidated financial statements.

1. 主要業務

本集團截至二零一八年十二月三十一日止年度主要從事在線棋牌遊戲開發及運營、世界撲克巡迴賽業務(「**WPT業務**」)以及電子競技業務。我們主要附屬公司的業務載於綜合財務報表附註15。

有關本集團收入及分部資料之分析載於綜合財務報表附註5。

2. BUSINESS REVIEW

A review of the business of the Group during the year ended 31 December 2018 (including particulars of important events affecting the Company that have occurred during the year ended 31 December 2018, an analysis of the Group's performance during the year using financial key performance indicators and a discussion on the Group's future business development) is provided in the Chairman's Statement on pages 7 to 9 of this annual report. A description of the principal risks and uncertainties that the Group may be facing can be found on pages 86 to 89 of this Directors' Report. In addition, the financial risk management objectives and policies of the Group are available in Note 37 to the consolidated financial statements. Except as disclosed in this annual report, no other important event affecting the Company has occurred during the year ended 31 December 2018.

As far as the Board is aware, except as disclosed herein, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects during the year ended 31 December 2018.

The Group values the rights and interests and the needs of each employee, and strictly observes the provisions of the relevant laws, statutes and regulations of the PRC to provide employees with various security, welfare and benefits. The Group has also set up a sound promotion and assessment system to encourage fair competition. In addition, the Group attaches importance to communications with its employees. Apart from personalized mailbox and Lync accounts, there are systems in place to allow one-on-one communication between employees and the Co-Chief Executive Officers, communication between employees and their line managers, and communication channels including all-staff town hall meeting.

2. 業務回顧

本集團於截至二零一八年十二月三十一日止年度的業務回顧(包括於截至二零一八年十二月三十一日止年度發生影響本公司的具體重要事件、年內使用財務關鍵績效指標分析本集團表現及本集團未來業務發展討論)載列於本年報第7至9頁的主席報告內。有關本集團可能會面臨的主要風險及不確定因素載列於本董事會報告第86至89頁。此外，本集團的金融風險管理目標及政策載列於綜合財務報表附註37。除本年報所披露者外，於截至二零一八年十二月三十一日止年度，並無發生影響本公司的其他重要事件。

就董事會目前所知，於截至二零一八年十二月三十一日止年度，除本報告所披露者外，本集團已於所有重大方面遵守對本集團具有重大影響的相關法律法規。

本集團重視每名僱員之權利、權益及需求，並嚴格遵守中國有關法律、法令及法規之規定，為僱員提供各種保障、福利及利益。本集團亦已建立健全之晉升及評估制度以鼓勵公平競爭。此外，本集團重視與僱員的溝通。除個人郵箱及Lync賬戶外，亦設有讓僱員與行政總裁進行單對單溝通和僱員與直屬經理溝通的制度，以及僱員全民大會等溝通渠道。

As users of online card and board games could be regarded as the main customers of the Group, the Group provides its users with high-quality and safe services both in online and offline events. In relation to online events, the Group has set up a link to the security center on the official website and web games to protect users' game accounts and privacy.

由於線上棋牌遊戲用戶可被視為本集團主要客戶，本集團的線上及線下活動均向用戶提供優質服務並保障用戶的安全。在線上活動方面，本集團已在官網及網頁遊戲設置安全中心鏈接，以保護用戶的遊戲賬戶及隱私。

For the year ended 31 December 2018, the Group had approximately 50 suppliers. The Group selects, on its own initiative, suppliers whose products and services are in compliance with relevant national standards and adopts strict acceptance standards including a preliminary assessment on the impact of the goods or services provided by the suppliers on the environment and society. Under our strict supervision, no risk has been identified in our supply chain during the year ended 31 December 2018. Please refer to the Environmental, Social and Governance Report for further details.

截至二零一八年十二月三十一日止年度，本集團擁有約50名供應商。本集團主動選擇產品及服務符合相關國家標準的供應商並採取嚴格採納標準，包括對供應商提供的貨品或服務對環境及社會的影響進行初步評估。在我們的嚴格監管下，於截至二零一八年十二月三十一日止年度，並無於供應鏈發現任何風險。有關進一步詳情，請參閱環境、社會及管治報告。

During the year ended 31 December 2018, the Group did not make any charitable donations (2017: RMB50,000).

於截至二零一八年十二月三十一日止年度，本集團未進行任何慈善捐贈(二零一七年：人民幣50,000元)。

Taking the principal activities of the Group into consideration, less destruction has been made directly to the environment, but protecting the environment has always been essential to us and has guided our actions to minimize our impact. In view of the scarcity of resources, the Group advocates policies on the efficient use of resources on its own initiative, motivates all of its employees to participate in resources conservation activities and encourages them to save water, power and paper. As most promotion campaigns are conducted online, packaging or advertisement materials for such campaigns are therefore not required and no consumption or waste is produced. In respect of offline events under WPT Business, the Group encourages online advertising and promotional activities and takes this as the principle. For various materials used for offline events, the Group opts for recyclable products so as to prolong their service cycles and reduce renewal frequency.

考慮到本集團之主要活動，直接對環境造成破壞的情況較少，但保護環境對我們而言仍屬至關重要，並指引我們採取措施盡量減少影響。鑒於資源珍貴，本集團主動倡導有效利用資源之政策，推動全體僱員參與資源節約運動，鼓勵僱員節約用水、用電及用紙。由於大部分推廣活動均於線上進行，故此類活動毋須使用包裝或廣告宣傳物料，因此並無造成消耗或產生廢物。在WPT業務線下活動方面，本集團鼓勵採用線上廣告及推廣活動，並以此為原則。就線下活動所用的各種材料，本集團選擇可回收產品，以延長其使用週期，降低更換頻率。

In the future, continuous efforts will be made by the Group and our employees in promoting sustainability in environment, social and corporate governance.

未來，本集團及我們的僱員將繼續努力促進環境、社會及企業管治。

3. RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 119 to 120 of this annual report.

3. 業績及溢利分配

本集團截至二零一八年十二月三十一日止年度之業績載於本年報第119至120頁的綜合損益及其他全面收益表。

4. DIVIDEND

The Board does not recommend the payment of any final dividend to the Shareholders for the year ended 31 December 2018 (2017: nil).

On 29 March 2019, the Company adopted a dividend policy in accordance with the amended code provision E.1.5 of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Exchange of Hong King Limited (the "**Listing Rules**") . Please refer to the section "Dividend Policy" under the Corporate Governance Report for the main provisions of this dividend policy.

4. 股息

董事會不建議向股東派付截至二零一八年十二月三十一日止年度的任何末期股息(二零一七年:無)。

於二零一九年三月二十九日,本公司根據香港聯合交易所有限公司證券上市規則(「**上市規則**」)附錄14所載的企業管治守則(「**企業管治守則**」)經修訂守則條文第E.1.5條採納股息政策。有關該股息政策的主要條文,請參閱企業管治報告項下的「股息政策」一節。

5. RESERVES

Changes to the reserves of the Group during the year ended 31 December 2018 are set out in the consolidated statement of changes in equity. Changes to the reserves of the Company during the year ended 31 December 2018 are set out in Note 31 to the consolidated financial statements. As at 31 December 2018, the Company had reserves available for distribution of approximately RMB878.6 million (2017: RMB635.3 million).

5. 儲備

本集團儲備於截至二零一八年十二月三十一日止年度之變動詳情載於綜合權益變動表。本公司儲備於截至二零一八年十二月三十一日止年度之變動詳情載於綜合財務報表附註31。於二零一八年十二月三十一日,本公司可供分派儲備約為人民幣878.6百萬元(二零一七年:人民幣635.3百萬元)。

6. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Changes to the property, plant and equipment and intangible assets of the Group during the year are set out in Notes 12 and 13, respectively, to the consolidated financial statements.

6. 物業、廠房及設備以及無形資產

本集團物業、廠房及設備以及無形資產於年內之變動詳情分別載於綜合財務報表附註12及13。

7. SHARE CAPITAL AND SHARE INCENTIVE SCHEMES

Details of the Company's share capital and share incentive schemes are set out in Notes 28 and 30 to the consolidated financial statements and the paragraph headed "Summary of the Share Option Schemes" on pages 29 to 36 below, respectively.

7. 股本及股份獎勵計劃

有關本公司股本及股份獎勵計劃之詳情分別載於綜合財務報表附註28及30及下文第29至36頁的「購股權計劃概要」一段。

8. SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2018 are set out in Note 15 to the consolidated financial statements.

8. 附屬公司

本公司附屬公司於二零一八年十二月三十一日之詳情載於綜合財務報表附註15。

9. FINANCIAL SUMMARY

A summary of the consolidated results and of the financial positions of the Group is set out on pages 121 to 122 of this annual report.

9. 財務概要

本集團綜合業績及財務狀況概要載於本年報第121至122頁。

10. USE OF PROCEEDS FROM THE GLOBAL OFFERING

The total net proceeds from the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 30 June 2014 (the "**Listing Date**") (the "**Listing**") which involved the issue of 196,000,000 ordinary shares of US$0.00005 each amounted to approximately RMB600.3 million. As at 31 December 2018, the Group utilized all the net proceeds from the Listing in accordance with the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus issued by the Company dated 18 June 2014 (the "**Prospectus**"). The details of its utilization are as follows:

(a) Approximately 30% of the total net proceeds to optimize and expand our online game portfolio;

(b) Approximately 20% of the total net proceeds to purchase intellectual property rights and distribution licenses of complementary games;

(c) Approximately 25% of the total net proceeds to further market our online games;

(d) Approximately 15% of the total net proceeds to invest in or acquire independent developers focus on mobile games;

(e) Approximately 10% of the total net proceeds for working capital and for other corporate purposes.

10. 全球發售所得款項用途

本公司自二零一四年六月三十日(「**上市日期**」)起於香港聯合交易所有限公司(「**聯交所**」)主板上市(「**上市**」)(涉及發行196,000,000股每股0.00005美元之普通股)之所得款項總淨額約為人民幣600.3百萬元。截至二零一八年十二月三十一日,本集團已根據本公司於二零一四年六月十八日刊發的招股章程(「**招股章程**」)「未來計劃及所得款項用途」一節所載用途用盡所有上市所得款項淨額。使用詳情如下:

(a) 所得款項淨額總額的約30%用於優化及擴大我們的網絡遊戲組合;

(b) 所得款項淨額總額的約20%用於購買互補遊戲的知識產權及分銷許可證;

(c) 所得款項淨額總額的約25%用於進一步推廣我們的網絡遊戲;

(d) 所得款項淨額總額的約15%用於投資或收購專注移動遊戲的獨立遊戲開發商;

(e) 所得款項淨額總額的約10%作為營運資本及其他一般企業目的。

11. USE OF PROCEEDS FROM THE SUBSCRIPTIONS

On 12 September 2017, the Company entered into a management subscription agreement with Total Victory Global Limited (the "**Management Subscriber**"), an independent subscription agreement with Noumena Innovations (BVI) LTD. (the "**Independent Subscriber**"), and a connected subscription agreement with Irena Group Co., Ltd. (the "**Connected Subscriber**") respectively, pursuant to which the Management Subscriber, Independent Subscriber and Connected Subscriber respectively subscribed for 89,189,189 shares (the "**Management Subscription Shares**"), 71,351,351 shares (the "**Independent Subscription Shares**") and 64,690,848 shares (the "**Connected Subscription Shares**") of the Company at an issue price of HK$1.85 per share (collectively the "**Subscriptions**"). The market price of the Management Subscription Shares, Independent Subscription Shares and Connected Subscription Shares was HK$1.92 per share as quoted on the Stock Exchange on 12 September 2017.

The subscription by the Independent Subscriber was completed on 28 December 2017, and the subscriptions by both the Management Subscriber and the Connected Subscriber were completed on 4 January 2018. The net proceeds of the Subscriptions amounted to approximately HK$416,478,000 (the "**Net Proceeds of Subscriptions**"). The Net Proceeds of Subscriptions are intended to be used for further developing the eSports business and the WPT business, revamping and updating the Group's core mobile product portfolio, acquiring and/or developing China regional card and board games platforms and replenishing working capital as stated in the circular of the Company dated 13 October 2017.

As of 31 December 2018, approximately HK$276,950,000 (equivalent to RMB242,664,000) of the Net Proceeds of Subscriptions has been applied, among which: (i) approximately HK$175,375,000 (equivalent to approximately RMB153,664,000) was used for further developing the eSports business; (ii) HK$101,575,000 (equivalent to approximately RMB89,000,000) was used for further development of WPT business. The capital utilization was consistent with the intended use of the Net Proceeds of Subscriptions as stated in the circular of the Company dated 13 October 2017. For the purpose of calculation, the exchange rate of HKD1:RMB0.8320 is used in this paragraph.

As at 31 December 2018, approximately HK$139,528,000 of the Net Proceeds of Subscriptions has not yet been utilized, and the Company expects to fully utilize the remaining Net Proceeds of Subscriptions in the following one or two years in accordance with the intended use as set out in the circular of the Company dated 13 October 2017.

11. 認購事項所得款項用途

於二零一七年九月十二日，本公司與Total Victory Global Limited(「**管理層認購人**」)、Noumena Innovations (BVI) LTD.(「**獨立認購人**」)及體育之窗文化股份有限公司(「**關連認購人**」)分別訂立管理層認購協議、獨立認購協議及關連認購協議，據此，管理層認購人、獨立認購人及關連認購人按照發行價每股1.85港元分別認購本公司89,189,189股股份(「**管理層認購事項股份**」)、71,351,351股股份(「**獨立認購事項股份**」)及64,690,848股股份(「**關連認購事項股份**」)(統稱為「**該等認購事項**」)。管理層認購事項股份、獨立認購事項股份及關連認購事項股份於二零一七年九月十二日在聯交所所報市價為每股1.92港元。

獨立認購人於二零一七年十二月二十八日完成認購事項，管理層認購人與關連認購人皆於二零一八年一月四日完成認購事項。該等認購事項所得款項淨額約為416,478,000港元(「**該等認購事項所得款項淨額**」)。該等認購事項所得款項淨額依照本公司日期為二零一七年十月十三日的通函中所列計劃用於進一步發展電子競技業務及WPT業務，改進及更新本集團的核心移動產品組合，收購及╱或開發中國地區棋牌遊戲平台及補充運營資金。

截至二零一八年十二月三十一日，已動用該等認購事項所得款項淨額約276,950,000港元(相當於人民幣242,664,000元)，其中：(i)約175,375,000港元(相當於約人民幣153,664,000元)已用於進一步發展電子競技業務；(ii)約101,575,000港元(相當於約人民幣89,000,000元)已用於進一步發展WPT業務。資金使用與本公司日期為二零一七年十月十三日的通函中所列明的該等認購事項所得款項淨額擬定用途一致。為作計算用途，本段所用的匯率為1港元兑人民幣0.8320元。

截至二零一八年十二月三十一日，該等認購事項所得款項淨額約139,528,000港元尚未動用，本公司預期於隨後一至兩年內，按照本公司日期為二零一七年十月十三日的通函所載擬定用途悉數動用餘下認購事項所得款項淨額。

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

Issue of Shares pursuant to Completion of Subscription Agreements

(a) Management Subscription

On 12 September 2017, the Company entered into a subscription agreement with Total Victory Global Limited, a company incorporated in the British Virgin Islands with limited liability and owned equally by Mr. Yang Eric Qing (an executive Director and co-chief executive officer of the Company, and chairman of the Board), Mr. Ng Kwok Leung Frank (an executive Director and co-chief executive officer of the Company) and Mr. Zhang Peng (president of the Group), for the subscription of 89,189,189 shares (the "**Management Subscription Shares**") at the subscription price of HK$1.85 per subscription share (the "**Management Subscription**").

(b) Connected Subscription

On 12 September 2017, the Company entered into a subscription agreement with Irena Group Co., Ltd., a company incorporated under the laws of the People's Republic of China with limited liability and a substantial shareholder of the Company, for the subscription of 64,690,848 shares (the "**Connected Subscription Shares**") at the subscription price of HK$1.85 per subscription share (the "**Connected Subscription**").

(collectively, the "**Subscriptions**")

The Management Subscription and Connected Subscription were completed on 4 January 2018 and the Management Subscription Shares and the Connected Subscription Shares were issued on 4 January 2018. The gross proceeds from the Management Subscription and Connected Subscription amounted to approximately HK$284.7 million and the net proceeds raised were approximately HK$284.7 million. Details of the utilisation of net proceeds from the Subscriptions are set out in section 11 of this Directors' Report.

Further details of the Management Subscription and the Connected Subscription are set out in the circular of the Company dated 13 October 2017 and the announcements of the Company dated 28 December 2017 and 4 January 2018.

12. 購買、出售或贖回本公司上市證券

根據完成該等認購協議發行股份

(a) 管理層認購事項

於二零一七年九月十二日，本公司與Total Victory Global Limited(一家於英屬維京群島註冊成立的有限公司，由本公司執行董事、聯席行政總裁兼董事會主席楊慶先生、本公司執行董事兼聯席行政總裁伍國樑先生及本集團總裁張鵬先生均等擁有)訂立認購協議以認購89,189,189股股份(「**管理層認購事項股份**」)，認購價為每股認購股份1.85港元(「**管理層認購事項**」)。

(b) 關連認購事項

於二零一七年九月十二日，本公司與體育之窗文化股份有限公司(一家於中華人民共和國註冊成立的有限公司，為本公司的主要股東)訂立認購協議，以認購64,690,848股股份(「**關連認購事項股份**」)，認購價為每股認購股份1.85港元(「**關連認購事項**」)。

(統稱「**該等認購事項**」)

管理層認購事項及關連認購事項已於二零一八年一月四日完成，而管理層認購事項股份及關連認購事項股份已於二零一八年一月四日發行。管理層認購事項及關連認購事項所得款項總額約為284.7百萬港元及所得款項淨額約為284.7百萬港元。該等認購事項所得款項淨額的使用詳情已於本董事會報告第十一節列明。

有關管理層認購事項及關連認購事項的進一步詳情載於本公司日期為二零一七年十月十三日的通函以及本公司日期為二零一七年十二月二十八日及二零一八年一月四日的公告。

Issue of Shares pursuant to Completion of Share Transfer Agreements

(a) Nanjing Acquisition

On 16 January 2018, the Company and its wholly-owned subsidiary, Tianjin Shengyou Shidai Technology Development Co., Ltd. ("**Tianjin Shengyou Shidai**"), entered into a share transfer agreement with Ms. Zhu Guifeng (the "**Nanjing Seller**") and Mr. Chen Zhong (the "**Nanjing Seller Guarantor**"), pursuant to which Tianjin Shengyou Shidai purchased the entire equity interest in Nanjing Haoyun Meicheng Electronics Co., Ltd. ("**Nanjing Haoyun**") from the Nanjing Seller and the Nanjing Seller Guarantor at a consideration of RMB220 million (subject to adjustment) (the "**Nanjing Acquisition**"). The consideration of RMB220 million for the Nanjing Acquisition was settled (i) as to RMB136 million in cash (subject to adjustment); and (ii) as to RMB84 million by the Company allotting and issuing 38,888,888 consideration shares (subject to adjustment) at the issue price of HK$2.62 (equivalent to approximately RMB2.16).

The Nanjing Acquisition was completed on 9 February 2018 and the first instalment consideration shares (being 15,555,556 shares of the Company) were issued to the Nanjing Seller on 9 February 2018. Further details of Nanjing Acquisition are set out in the announcements of the Company dated 16 January 2018, 30 January 2018 and 9 February 2018.

(b) Shenzhen Acquisition

On 16 January 2018, the Company and Tianjin Shengyou Shidai entered into a share transfer agreement with Mr. Li Shangdong, Mr. Su Zhiyong and Mr. Zhou Xi (collectively, the "**Shenzhen Vendors**"), pursuant to which Tianjin Shengyou Shidai purchased the entire equity interest in Shenzhen Xunyou Internet Technology Co., Ltd. from the Shenzhen Vendors at a consideration of RMB150 million (subject to adjustment) (the "**Shenzhen Acquisition**"). The consideration of RMB150 million for the Shenzhen Acquisition shall be settled (i) as to RMB75 million in cash (subject to adjustment); and (ii) as to RMB75 million by the Company allotting and issuing 34,722,222 consideration shares (subject to adjustment) at the issue price of HK$2.62 (equivalent to approximately RMB2.16).

根據完成該等股份轉讓協議發行股份

(a) 南京收購事項

於二零一八年一月十六日，本公司及其全資附屬公司天津盛遊時代科技發展有限公司(「**天津盛遊時代**」)與朱桂鳳女士(「**南京賣方**」)及陳忠先生(「**南京賣方擔保人**」)訂立股份轉讓協議，據此，天津盛遊時代自南京賣方及南京賣方擔保人購買南京好運美成電子科技有限公司(「**南京好運**」)的全部股權，代價為人民幣220百萬元(可予調整)(「**南京收購事項**」)。南京收購事項的代價人民幣220百萬元已透過下列方式結算：(i)人民幣136百萬元(可予調整)以現金結算；及(ii)人民幣84百萬元透過本公司以發行價2.62港元(相當於約人民幣2.16元)配發及發行38,888,888股代價股份(可予調整)結算。

南京收購事項已於二零一八年二月九日完成，且第一期代價股份(即15,555,556股本公司股份)已於二零一八年二月九日發行予南京賣方。有關南京收購事項的進一步詳情載於本公司日期為二零一八年一月十六日、二零一八年一月三十日及二零一八年二月九日的公告。

(b) 深圳收購事項

於二零一八年一月十六日，本公司及天津盛遊時代與李尚東先生、蘇志勇先生及周曦先生(統稱為「**深圳賣方**」)訂立股份轉讓協議，據此，天津盛遊時代自深圳賣方購買深圳訊遊網絡科技有限公司的全部股權，代價為人民幣150百萬元(可予調整)(「**深圳收購事項**」)。深圳收購事項的代價人民幣150百萬元須透過下列方式結算：(i)人民幣75百萬元(可予調整)以現金結算；及(ii)人民幣75百萬元透過本公司以發行價2.62港元(相當於約人民幣2.16元)配發及發行34,722,222股代價股份(可予調整)結算。

As of the date this annual report, the Shenzhen Acquisition has not been completed and no shares were issued. Further details of the Shenzhen Acquisition are set out in the announcements of the Company dated 16 January 2018 and 30 January 2018.

於本年報日期，深圳收購事項尚未完成，且概無發行任何股份。有關深圳收購事項的進一步詳情載於本公司日期為二零一八年一月十六日及二零一八年一月三十日的公告。

(c) Acquisition of Xiamen Yiwantang

On 16 January 2018, the Company and Tianjin Shengyou Shidai entered into a share transfer agreement with Mr. Wang Yue, Mr. Chen Yitang, Mr. Fang Weibin, Mr. Wu Guodu and Mr. Zhuang Tenglong (collectively, the "**Xiamen Sellers**"), pursuant to which Tianjin Shengyou Shidai purchased the entire equity interest in Xiamen Yiwantang Internet Technology Co., Ltd. from the Xiamen Sellers at a consideration of RMB55 million (subject to adjustment) (the "**Xiamen Yiwantang Acquisition**"). The consideration of RMB55 million for the Xiamen Yiwantang Acquisition shall be settled (i) as to RMB30 million in cash (subject to adjustment); and (ii) as to RMB25 million by the Company allotting and issuing 11,574,074 consideration shares (subject to adjustment) at the issue price of HK$2.62 (equivalent to approximately RMB2.16).

(c) 收購廈門億玩堂

於二零一八年一月十六日，本公司及天津盛遊時代與王越先生、陳藝棠先生、方偉斌先生、吳國都先生及莊騰龍先生(統稱為「**廈門賣方**」)訂立股份轉讓協議，據此，天津盛遊時代自廈門賣方購買廈門億玩堂網絡科技有限公司的全部股權，代價為人民幣55百萬元(可予調整)(「**廈門億玩堂收購事項**」)。廈門億玩堂收購事項的代價人民幣55百萬元須透過下列方式結算：(i)人民幣30百萬元(可予調整)以現金結算；及(ii)人民幣25百萬元透過本公司以發行價2.62港元(相當於約人民幣2.16元)配發及發行11,574,074股代價股份(可予調整)結算。

As of the date this annual report, the Xiamen Yiwantang Acquisition has not been completed and no shares were issued. Further details of Xiamen Yiwantang Acquisition are set out in the announcements of the Company dated 16 January 2018 and 30 January 2018.

於本年報日期，廈門億玩堂收購事項尚未完成，且概無發行任何股份。有關廈門億玩堂收購事項的進一步詳情載於本公司日期為二零一八年一月十六日及二零一八年一月三十日的公告。

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2018.

除上文所述者外，於截至二零一八年十二月三十一日止年度，本公司或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。

13. EQUITY-LINKED AGREEMENTS

Apart from the Employee Pre-IPO Share Option Scheme, the Management Pre-IPO Share Option Scheme, the 2014 Share Option Scheme as set out in section 14 and the Share Award Scheme as set out in section 15 of this Directors' Report, no equity-linked agreements were entered into by the Group or existed during the year ended 31 December 2018.

13. 股票掛鈎協議

除僱員首次公開發售前購股權計劃、管理層首次公開發售前購股權計劃、本董事會報告第十四節所載的二零一四年購股權計劃及第十五節所載的股份獎勵計劃外，於截至二零一八年十二月三十一日止年度，本集團並無簽訂或存在股票掛鈎協議。

14. SHARE OPTION SCHEMES

The Company has adopted three share option schemes, namely, (i) the Employee Pre-IPO Share Option Scheme, (ii) the Management Pre-IPO Share Option Scheme and (iii) the 2014 Share Option Scheme.

As at 31 December 2018, a total of 73,062,128 share options were granted to the following Directors pursuant to the Management Pre-IPO Share Option Scheme and the 2014 Share Option Scheme:

14. 購股權計劃

本公司已採納三項購股權計劃，即(i)僱員首次公開發售前購股權計劃；(ii)管理層首次公開發售前購股權計劃及(iii)二零一四年購股權計劃。

於二零一八年十二月三十一日，已根據管理層首次公開發售前購股權計劃及二零一四年購股權計劃向下列董事授出合共73,062,128份購股權：

Name of Directors 董事姓名	Date of Grant 授出日期	Outstanding as at 1 January 2018 於二零一八年一月一日尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Cancelled during the year 於年內註銷	Lapsed during the year 於年內失效	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使	Exercise price per Share 每股行使價
Mr. Yang Eric Qing ("**Mr. Yang**") 楊慶先生(「**楊先生**」)	20 February 2014 二零一四年二月二十日	20,851,064	–	–	–	–	20,851,064	US$0.16714303 0.16714303美元
	5 January 2015 二零一五年一月五日	11,760,000	–	–	–	–	11,760,000	HK$2.67 2.67港元
	8 January 2016 二零一六年一月八日	3,920,000	–	–	–	–	3,920,000	HK$5.506 5.506港元
Mr. Ng Kwok Leung Frank ("**Mr. Ng**") 伍國樑先生(「**伍先生**」)	20 February 2014 二零一四年二月二十日	20,851,064	–	–	–	–	20,851,064	US$0.16714303 0.16714303美元
	5 January 2015 二零一五年一月五日	11,760,000	–	–	–	–	11,760,000	HK$2.67 2.67港元
	8 January 2016 二零一六年一月八日	3,920,000	–	–	–	–	3,920,000	HK$5.506 5.506港元
Total 總計		73,062,128	–	–	–	–	73,062,128	

Summary of the Share Option Schemes

Employee Pre-IPO Share Option Scheme

Purpose

The purpose of the Employee Pre-IPO Share Option Scheme is to give employees of the Group an opportunity to acquire a personal stake in the Company and help motivate such employees to optimize their performance and efficiency, and to retain the employees whose contributions are important to the long term growth and profitability of our Group. The options entitle eligible employees to obtain existing issued Shares in the Company from Blink Milestones Limited and will not involve the Company issuing any new Shares.

Exercise Price

The exercise price under the Employee Pre-IPO Share Option Scheme is RMB0.1276 per Share (adjusted for capitalisation issue, on the basis of RMB0.12756). Please refer to "Appendix IV — Statutory and General Information" of the Prospectus for further information.

Exercise of Option

The Shares subject to the Employee Pre-IPO Share Option Scheme shall be vested in four equal annual instalments, with the first instalment representing twenty five percent (25%) of the Shares subject to the Employee Pre-IPO Share Option Scheme vesting on the first anniversary of the Listing Date, and an additional instalment vesting on each anniversary thereafter, subject to the fulfilment of the grantee's performance target for the full calendar year before the vesting determined by the Company being fulfilled and the grantee's continuing to be an employee of the Company and being in compliance with the terms and conditions of the option award agreement dated 20 February 2014 through each such date.

Maximum Numbers of Shares

The maximum numbers of Shares in respect of which options under the Employee Pre-IPO Share Option Scheme may be granted is 25,009,600 Shares. On 7 March 2014, 25,009,600 share options (adjusted for capitalization issue) were granted to 29 key employees of the Company by Blink Milestones Limited, after that no further options were granted. The particulars of the options granted under the Employee Pre-IPO Share Option Scheme are set out in "Appendix IV — Statutory and General Information" of the Prospectus.

Life of the Employee Pre-IPO Share Option Scheme

The Employee Pre-IPO Share Option Scheme is effective from 7 March 2014 and the remaining life of the scheme is approximately 5 years.

購股權計劃概要

僱員首次公開發售前購股權計劃

目的

僱員首次公開發售前購股權計劃旨在讓本集團僱員提供一個取得本公司個人股權的機會，有助鼓勵僱員提升其表現及效率，並留聘對本集團長期發展及盈利能力有重要貢獻的僱員。該等購股權讓合資格僱員可取得由Blink Milestones Limited持有的本公司已發行股份，故不會致使本公司發行任何新股份。

行使價

根據僱員首次公開發售前購股權計劃，每股行使價為人民幣0.1276元(已按人民幣0.12756元的基準就資本化發行作出調整)。有關進一步資料，請參閱招股章程「附錄四—法定及一般資料」。

行使購股權

僱員首次公開發售前購股權計劃項下股份按四年等額分期歸屬，第一期(相當於僱員首次公開發售前購股權計劃項下股份的百分之二十五(25%))於上市日期的首個週年歸屬，並於此後的各個週年分期歸屬，惟須待承授人於本公司釐定的歸屬日期前的完整曆年內達成績效目標，而承授人仍屬本公司僱員且於各年度相關日期內遵守日期為二零一四年二月二十日的購股權獎勵協議的條款及條件方可歸屬。

最高股份數目

僱員首次公開發售前購股權計劃項下授出的最高數目股份為25,009,600股。於二零一四年三月七日，Blink Milestones Limited向本公司29名主要僱員授出25,009,600份購股權(已就資本化發行作出調整)，此後並無進一步授出購股權。根據僱員首次公開發售前購股權計劃授出購股權的詳情載於招股章程「附錄四—法定及一般資料」。

僱員首次公開發售前購股權計劃的年期

僱員首次公開發售前購股權計劃自二零一四年三月七日起生效，而計劃餘下年期約為五年。

Outstanding Share Options

During the year ended 31 December 2018, no share options under the Employee Pre-IPO Share Option Scheme were exercised, forfeited or lapsed. As at 31 December 2018, 25,009,600 share options (adjusted for capitalization issue) were granted under the Employee Pre-IPO Share Option Scheme, 15,366,397 options have been exercised and 4,566,803 options have been forfeited, with 5,076,400 options outstanding, representing approximately 0.46% of the issued Shares as at 31 December 2018.

尚未行使購股權

於截至二零一八年十二月三十一日止年度，並無僱員首次公開發售前購股權計劃項下購股權獲行使、沒收或失效。於二零一八年十二月三十一日，已根據僱員首次公開發售前購股權計劃授出25,009,600份購股權(已就資本化發行作出調整)，其中15,366,397份購股權已獲行使及4,566,803份購股權已被沒收，而5,076,400份購股權尚未行使，佔於二零一八年十二月三十一日已發行股份約0.46%。

Save as disclosed above, none of the options granted have been exercised, forfeited and/or lapsed.

除上文所披露者外，概無已授出購股權獲行使、沒收及／或失效。

Details of the movements of the options under the Employee Pre-IPO Share Option Scheme during the year ended 31 December 2018 are set out below and in Note 30(a) to the consolidated financial statements:

僱員首次公開發售前購股權計劃項下購股權於截至二零一八年十二月三十一日止年度的變動詳情載於下表及綜合財務報表附註30(a)：

Grantees 承授人	Date of Grant 授出日期	Outstanding as at 1 January 2018 於二零一八年一月一日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Lapsed during the year 年內失效	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使	Exercise price per Share 每股行使價
Certain employees 若干僱員	7 March 2014 二零一四年三月七日	5,076,400	–	–	–	–	5,076,400	RMB0.1276 人民幣0.1276元
Total 總計		5,076,400	–	–	–	–	5,076,400	

Management Pre-IPO Share Option Scheme

Purpose

The purpose of the Management Pre-IPO Share Option Scheme is to give Mr. Yang, Mr. Ng, Mr. Zhang Peng (the "**Participants**") an opportunity to acquire a personal stake in our Company and help motivate such Participants to optimize their performance and efficiency, and also to help retain the Participants whose contributions are important to the long-term growth and profitability of our Group.

管理層首次公開發售前購股權計劃

目的

管理層首次公開發售前購股權計劃旨在向楊先生、伍先生及張鵬先生(「**該等參與者**」)提供取得本公司個人股權的機會，有助鼓勵該等參與者提升其表現及效率，並留聘對本集團長期發展及盈利能力有重要貢獻的該等參與者。

The principal terms of the Management Pre-IPO Share Option Scheme are substantially the same as the terms of the Employee Pre-IPO Share Option Scheme except that:

除以下各項外，管理層首次公開發售前購股權計劃的主要條款大致與僱員首次公開發售前購股權計劃相同：

(a) the exercise price under the Management Pre-IPO Share Option Scheme is US$0.16714303 per Share (adjusted for capitalisation issue, on the basis of US$0.34398035);

(b) twenty five percent (25%) of the Shares subject to the Management Pre-IPO Share Option Scheme shall be vested on the first anniversary of the grant date and the remaining Shares subject to the Management Pre-IPO Share Option Scheme shall be vested in 36 equal monthly instalments with the first instalment vesting upon the 13th monthly anniversary of the grant date and each of the remaining instalments vesting on each monthly anniversary of the 13th monthly anniversary of the grant date thereafter. The options may be exercised upon the Listing.

Maximum Numbers of Shares Available for Issue

The maximum numbers of Shares which may be issued upon exercise of all options under the Management Pre-IPO Share Option Scheme is 50,042,553 Shares.

Life of the Management Pre-IPO Share Option Scheme

The Management Pre-IPO Share Option Scheme is effective for a period of 10 years from 7 March 2014 and the remaining life of the scheme is 5 years.

Outstanding Share Options

As at 31 December 2018, 50,042,553 share options were granted to certain members of our senior management and Directors under the Management Pre-IPO Share Option Scheme, of which 3,822,624 share options were exercised, leaving an outstanding balance of 46,219,929 options, representing approximately 4.23% of the issued Shares as at 31 December 2018.

Save as disclosed, none of the options so far granted have been exercised, forfeited and/or lapsed.

(a) 管理層首次公開發售前購股權計劃項下行使價為每股0.16714303美元(已按0.34398035美元為基準就資本化發行作出調整);

(b) 管理層首次公開發售前購股權計劃項下百分之二十五(25%)的股份須於授出日期首個週年歸屬,而管理層首次公開發售前購股權計劃項下其餘股份須於36個月內按月等額分期歸屬,第一期歸屬為授出日期滿第13個月當日,此後各月分期歸屬。購股權可於上市後行使。

可發行的最高股份數目

管理層首次公開發售前購股權計劃項下授出的所有購股權獲行使後可發行的最高數目股份為50,042,553股。

管理層首次公開發售前購股權計劃的年期

管理層首次公開發售前購股權計劃自二零一四年三月七日起十年期間生效且計劃,而計劃餘下年期為五年。

尚未行使購股權

於二零一八年十二月三十一日,已根據管理層首次公開發售前購股權計劃向我們的若干高級管理層成員及董事授出50,042,553份購股權,其中3,822,624份購股權已獲行使,而餘下46,219,929份購股權尚未行使,佔於二零一八年十二月三十一日已發行股份約4.23%。

除所披露者外,目前概無已授出購股權獲行使、沒收及/或失效。

Details of the movements of options under the Management Pre-IPO Share Option Scheme during the year ended 31 December 2018 are set out in the table below and in Note 30(b) to the consolidated financial statements:

管理層首次公開發售前購股權計劃項下購股權於截至二零一八年十二月三十一日止年度的變動詳情載於下表及綜合財務報表附註30(b):

Grantees 承授人	Position in relevant Group companies 於有關集團公司的職位	Date of Grant 授出日期	Outstanding as at 1 January 2018 於二零一八年一月一日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Lapsed during the year 年內失效	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使	Exercise price per Share 每股行使價
Mr. Yang 楊先生	Chairman, Co-Chief Executive Officer of the Company 本公司主席兼聯席行政總裁	20 February 2014 二零一四年二月二十日	20,851,064	–	–	–	–	20,851,064	US$0.16714303 0.16714303美元
Mr. Ng 伍先生	Co-Chief Executive Officer of the Company 本公司聯席行政總裁	20 February 2014 二零一四年二月二十日	20,851,064	–	–	–	–	20,851,064	US$0.16714303 0.16714303美元
Mr. Zhang Peng 張鵬先生	President of the Company 本公司總裁	20 February 2014 二零一四年二月二十日	4,517,801	–	–	–	–	4,517,801	US$0.16714303 0.16714303美元
Total 總計			46,219,929	–	–	–	–	46,219,929	

2014 Share Option Scheme

Purpose

The Company adopted the 2014 Share Option Scheme on 19 November 2014 (the "**Adoption Date**"). The 2014 Share Option Scheme is valid for a period of 10 years from the grant date of each option. The purpose of the 2014 Share Option Scheme is to provide key employees, directors or officers of the Group ("**Eligible Persons**") with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The 2014 Share Option Scheme provides the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

二零一四年購股權計劃

目的

本公司於二零一四年十一月十九日(「**採納日期**」)採納二零一四年購股權計劃。二零一四年購股權計劃自各份購股權授出日期起十年內有效。二零一四年購股權計劃旨在向本集團主要僱員、董事或高級職員(「**合資格人士**」)提供取得本公司所有權權益的機會,並鼓勵彼等為本公司及股東的整體利益努力提升本公司及其股份的價值。二零一四年購股權計劃將令本公司能以靈活的方式留聘、激勵、獎勵、回報、補償合資格人士及/或向彼等提供福利。

Any individual, being an employee, director or officer of any member of the Group whom the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options.

Number of Shares Available for Issue under the 2014 Share Option Scheme

The total number of Shares which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme and any other schemes is 78,400,000, being no more than 10% of the Shares in issue as at the Adoption Date. Such scheme mandate limit may be refreshed at any time by obtaining approval of the Shareholders in general meetings and/or such other requirements prescribed under the Listing Rules from time to time. However, the overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2014 Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the Shares in issue from time to time.

At the annual general meeting of the Company held on 13 May 2016, the Shareholders approved the proposed refreshment of the scheme mandate, so that the Company could grant further options under the 2014 Share Option Scheme for subscription of up to a total of 78,719,037 additional Shares. Further details are set out in the circular of the Company dated 12 April 2016.

Maximum Entitlement to Participant

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company to each Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Any further grant of options to a Eligible Person which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Person in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders.

董事會或其代表全權酌情認為已對或將為本集團作出貢獻的人士(即本集團任何成員公司的僱員、董事或高級職員)有權獲提供及獲授予購股權。

二零一四年購股權計劃項下可予發行的股份數目

根據二零一四年購股權計劃及任何其他計劃授出的全部購股權獲行使後可予發行的股份總數為78,400,000股，不超過於採納日期已發行股份的10%。有關計劃授權上限可隨時根據股東於股東大會上的批准及╱或上市規則不時訂明的其他規定予以更新。然而，根據二零一四年購股權計劃及於任何時間本公司任何其他購股權計劃授出但尚未行使的全部購股權獲行使時，可予發行的股份最高數目不得超過本公司不時已發行股份的30%。

股東於二零一六年五月十三日召開的本公司股東週年大會上批准計劃授權的建議更新，因此，本公司可根據二零一四年購股權計劃進一步授出可認購最多合共78,719,037股額外股份的購股權。有關進一步詳情載於本公司日期為二零一六年四月十二日的通函。

參與者的最大權利

根據二零一四年購股權計劃及本公司任何其他購股權計劃已授予及將授予合資格人士的購股權(包括已行使及尚未行使的購股權)獲行使時已發行及將予發行的股份總數，於任何十二個月期間內不得超過已發行股份總數的1%(「**個人上限**」)。倘向合資格人士進一步授出購股權將導致截至該進一步授出日期(包括該日)止十二個月期間已授予及將授予該合資格人士的所有購股權獲行使時已發行及將予發行的股份總數超過個人上限，則須獲股東另行批准。

Determination of the Exercise Price

The amount payable for each Share to be subscribed for under an option in the event of the option being exercised shall be determined by the Board but shall be not less than the greater of: (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date; and (c) the nominal value of a Share on the grant date.

釐定行使價

於行使購股權時，根據購股權將予認購的每股股份應付金額由董事會釐定，惟不得低於下列較高者：(a)於授出日期聯交所公佈的每日報價表所示的股份收市價；(b)於緊接授出日期前五個營業日聯交所公佈的每日報價表所示的股份平均收市價；及(c)股份於授出日期的面值。

The option period is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than ten years from the grant date of the 2014 Share Option Scheme. There is no minimum period for which an option must be held before it can be exercised in general. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion.

購股權期限由董事會於提出要約時釐定及通知各承授人，且將於二零一四年購股權計劃授出日期起計十年內屆滿。一般而言，並無有關購股權獲行使前必須持有最短期限的規定。然而，董事會可於授出任何購股權時按個別情況授出有關購股權，惟需遵守有關條件、限制或規限(包括但不限於董事會可能全權酌情釐定有關持有購股權的最短期限及／或須達成績效目標的條件、限制或規限)。

Vesting period of the Share Options

(1) 25% of the share options shall vest and be exercisable with effect from the first anniversary of the grant date;

(2) the second 25% of the share options shall vest and be exercisable with effect from the second anniversary of the grant date;

(3) the third 25% of the share options shall vest and be exercisable with effect from the third anniversary of the grant date;

(4) the remaining 25% of the share options shall vest and be exercisable with effect from the fourth anniversary of the grant date.

購股權的歸屬期

(1) 購股權的25%將自授出日期滿第一個週年當日起歸屬及可予行使；

(2) 購股權的第二批25%將自授出日期滿第二個週年當日起歸屬及可予行使；

(3) 購股權的第三批25%將自授出日期滿第三個週年當日起歸屬及可予行使；

(4) 購股權的餘下25%將自授出日期滿第四個週年當日起歸屬及可予行使。

Exercise of Option

The options may be exercised up to 25% of the Shares for each year after the first anniversary of the grant date of the share option for four consecutive years.

行使購股權

購股權亦可於自購股權授出日期起計第一週年後連續四年內每年獲行使最多達股份的25%。

Payment on Acceptance of Share Option

An amount of RMB1.00 must be paid as consideration for the grant of the share options and such payment must be made within 20 business days from the date the share option grant offer is made to the Eligible Person.

Movements in the Share Options/Outstanding Share Options

The details of the movements of the options under the 2014 Share Option Scheme during the year ended 31 December 2018 are set out in the table below:

接納購股權時所付款項

合資格人士須支付人民幣1.00元作為所授購股權的代價，該款項須由合資格人士於作出購股權授出邀約日期起計20個營業日內支付。

購股權變動／尚未行使購股權

二零一四年購股權計劃項下購股權於截至二零一八年十二月三十一日止年度的變動詳情載於下表：

Grantees 承授人	Date of Grant 授出日期	Exercisable period 可行使期間	Outstanding as at 1 January 2018 於二零一八年一月一日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Lapsed during the year 年內失效	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使	Exercise price per Share 每股行使價
Mr. Yang 楊先生	5 January 2015 二零一五年一月五日	5 January 2015 – 4 January 2025 二零一五年一月五日至二零二五年一月四日	11,760,000	–	–	–	–	11,760,000	HK$2.67 2.67港元
	8 January 2016 二零一六年一月八日	8 January 2016 – 7 January 2026 二零一六年一月八日至二零二六年一月七日	3,920,000	–	–	–	–	3,920,000	HK$5.506 5.506港元
Mr. Ng 伍先生	5 January 2015 二零一五年一月五日	5 January 2015 – 4 January 2025 二零一五年一月五日至二零二五年一月四日	11,760,000	–	–	–	–	11,760,000	HK$2.67 2.67港元
	8 January 2016 二零一六年一月八日	8 January 2016 – 7 January 2026 二零一六年一月八日至二零二六年一月七日	3,920,000	–	–	–	–	3,920,000	HK$5.506 5.506港元
Employees of the Company 本公司僱員	5 January 2015 二零一五年一月五日	5 January 2015 – 4 January 2025 二零一五年一月五日至二零二五年一月四日	20,973,500	–	(780,261)[1]	(432,900)[2]	(552,500)[3]	19,207,839	HK$2.67 2.67港元
Employees of the Company 本公司僱員	9 July 2015 二零一五年七月九日	9 July 2015 – 8 July 2025 二零一五年七月九日至二零二五年七月八日	21,940,000	–	–	(2,250,000)	(4,620,000)	15,070,000	HK$4.402 4.402港元
Employees of the Company 本公司僱員	17 May 2016 二零一六年五月十七日	17 May 2016 – 16 May 2026 二零一六年五月十七日至二零二六年五月十六日	2,430,000	–	–	(275,000)	(1,255,000)	900,000	HK$3.684 3.684港元
Employees of the Company 本公司僱員	7 September 2016 二零一六年九月七日	7 September 2016 – 6 September 2026 二零一六年九月七日至二零二六年九月六日	1,850,000	–	–	(470,000)	(140,000)	1,240,000	HK$3.95 3.95港元
Employees of the Company 本公司僱員	28 April 2017 二零一七年四月二十八日	28 April 2017 – 27 April 2027 二零一七年四月二十八日至二零二七年四月二十七日	1,220,000	–	–	(825,000)	(275,000)	120,000	HK$2.886 2.886港元
Total 總計			79,773,500	–	(780,261)	(4,252,900)	(6,842,500)	67,897,839	

[1] The weighted average closing price of the Shares immediately before options were exercised was HK$2.79.

[1] 緊接購股權行使前股份加權平均收市價為2.79港元。

2 During the year ended 31 December 2018, 272,500 options were cancelled and 160,400 options were added herein for those omitted in 2016.

3 During the year ended 31 December 2018, 680,000 options expired, 127,500 options of which were omitted for those over-reported in 2016 and 2017.

As at 31 December 2018, 84,840,000 options have been granted under the 2014 Share Option Scheme, and 8,030,400 options have been forfeited, 7,608,750 options have lapsed and 1,303,011 options have been exercised, leaving an outstanding balance of 67,897,839 options, representing approximately 6.21% of the issued Shares as at 31 December 2018. No share option was granted in 2018. Save for the above, none of the options so far granted have been exercised, forfeited and/or lapsed.

Life of the 2014 Share Option Scheme

The 2014 Share Option Scheme is effective for a period of 10 years from 19 November 2014 and the remaining life of the scheme is 5 years and 1 month.

Valuation of Share Options

Details of the valuation of share options granted are set out in Note 30 to the consolidated financial statements.

15. SHARE AWARD SCHEME

The Company adopted a share award scheme on 19 May 2017 (the "**Share Award Scheme**"). The Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

Purpose of the Share Award Scheme

The purpose of the Share Award Scheme is to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible participants to the Share Award Scheme (the "**Share Award Scheme Participants**") to make contributions to the long-term growth and profits of the Group.

2 於截至二零一八年十二月三十一日止年度，已註銷272,500份購股權，此處補充二零一六年遺漏的160,400份購股權。

3 於截至二零一八年十二月三十一日止年度，680,000份購股權已失效，其中有127,500份購股權用於抵扣二零一六及二零一七年多報的部分。

於二零一八年十二月三十一日，根據二零一四年購股權計劃已授出84,840,000份購股權，其中8,030,400份購股權已沒收，7,608,750份購股權已失效及1,303,011份購股權已獲行使，而餘下67,897,839份股權尚未行使，佔於二零一八年十二月三十一日已發行股份約6.21%。於二零一八年，概無授出購股權。除上文所者外，目前概無已授出購股權獲行使、沒收及／或失效。

二零一四年購股權計劃的年期

二零一四年購股權計劃自二零一四年十一月十九日起十年內有效且計劃，而計劃餘下年期為五年一個月。

購股權估值

有關授出購股權的估值詳情載於綜合財務報表附註30。

15. 股份獎勵計劃

本公司於二零一七年五月十九日採納股份獎勵計劃(「**股份獎勵計劃**」)。股份獎勵計劃並非購股權計劃，故毋須遵守上市規則第17章條文。

股份獎勵計劃之目的

股份獎勵計劃透過股份持有權、股息及其他就股份作出的分派及／或提升股份價值，使合資格參與者的利益與本集團利益一致，以鼓勵及留聘股份獎勵計劃合資格參與者(「**股份獎勵計劃參與者**」)為本集團的長遠發展及溢利作出貢獻。

Maximum Number of Shares to be Granted

The aggregate number of shares underlying all grants made pursuant to the Share Award Scheme (excluding awarded shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 7% of the total number of issued Shares as at the date of adoption of the Share Award Scheme (i.e. 15 May 2017), being 55,084,636 Shares (the "**Share Award Scheme Limit**"), subject to an annual limit of 3% of the Shares in issue as at the date of each annual general meeting of the Company.

Vesting of Awards

The Board or its delegate(s) may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Movements in the Share Award Scheme

During the year ended 31 December 2018, the Company purchased 16,887,000 Shares amounting to RMB13,407,000 through its trustee on the Stock Exchange. As of 31 December 2018, 17,187,000 shares were purchased by the Company for the purpose of the Share Award Scheme, and an aggregate of 1,000,000 shares were awarded to the Share Award Scheme Participants.

將予授出股份數目的上限

於股份獎勵計劃採納日期(即二零一七年五月十五日),根據股份獎勵計劃授出之所有股份(不包括已根據股份獎勵計劃沒收之獎勵股份)數目合共不得超過本公司已發行股份總數之7%(即55,084,636股股份)(「**股份獎勵計劃上限**」),惟須受本公司於各股東週年大會日期已發行股本3%之年度上限所規限。

獎勵之歸屬

於股份獎勵計劃生效期間且未違反一切適用法律之情況下,董事會或其代表可不時釐定歸屬獎勵之相關歸屬標準及條件或期間。

股份獎勵計劃之變動

於截至二零一八年十二月三十一日止年度,本公司已透過其信託人於聯交所購買16,887,000股股份,金額為人民幣13,407,000元。截至二零一八年十二月三十一日,本公司已就股份獎勵計劃購買17,187,000股股份,並向股份獎勵計劃參與者獎勵合共1,000,000股股份。

16. DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management of the Company during the year ended 31 December 2018 and up to the date of this annual report were:

Executive Directors

Mr. Yang Eric Qing *(Chairman and Co-Chief Executive Officer)*
Mr. Ng Kwok Leung Frank *(Co-Chief Executive Officer)*

Non-Executive Directors

Mr. Liu Jiang
Ms. Fu Qiang
Mr. Fan Tai
Mr. Chen Xian

16. 董事及高級管理層

於截至二零一八年十二月三十一日止年度及截至本年報日期,董事及本公司高級管理層如下:

執行董事

楊慶先生*(主席兼聯席行政總裁)*
伍國樑先生*(聯席行政總裁)*

非執行董事

劉江先生
傅強女士
樊泰先生
陳弦先生

Independent Non-Executive Directors

Mr. Ge Xuan
Mr. Lu Zhong
Mr. Cheung Chung Yan, David*
Dr. Tyen Kan Hee Anthony*

* Dr. Tyen Kan Hee Anthony was appointed as an independent non-executive Director with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be an independent non-executive Director on the same day.

獨立非執行董事

葛旋先生
魯眾先生
張頌仁先生*
田耕熹博士*

* 田耕熹博士獲委任為獨立非執行董事，自二零一八年三月二十七日起生效。同日，張頌仁先生不再擔任獨立非執行董事。

Biographical Details of Directors

Executive Directors

Yang Eric Qing, aged 47, has been an executive Director, chairman of the Board and co-chief executive officer since the incorporation of our Company in 2013. Mr. Yang joined our Group in December 2010 and is responsible for general management and strategic planning. Mr. Yang held various senior management positions of China and Asia — Pacific area at International Business Machines Corporation (IBM), a company listed on the New York Stock Exchange (stock code: IBM). Mr. Yang received his Bachelor of Science degree from the University of California, Berkeley, U.S. in 1994.

Ng Kwok Leung Frank, aged 50, is an executive Director and co-chief executive officer of our Company. Mr. Ng joined our Group in June 2004 and is responsible for business development and finance of the Company at first, and then served as co-chief executive officer of the Group from 2007. Before joining our Group, Mr. Ng worked at Grant Thornton LLP in the United States and Hong Kong for approximately five years and served as the vice president of PCC Skyhorse Limited, a subsidiary company of PCCW, a company listed on the Stock Exchange (stock code: 0008), for three years. Mr. Ng received his Bachelor degree from the University of California, Berkeley, U.S. in 1992.

Non-Executive Directors

Liu Jiang, aged 51, has been an executive Director since the incorporation of our Company and became a non-executive Director from 27 March 2015. Mr. Liu joined our Group in December 2010 and holds directorship in Sonic Force Limited. He also serves as chairman of the board of directors of Hehong Holdings Group. Mr. Liu received his Bachelor of Economics from the East China Jiaotong University, China in 1991.

董事履歷詳情

執行董事

楊慶，47歲，自本公司於二零一三年註冊成立起擔任執行董事、董事會主席兼聯席行政總裁。楊先生於二零一零年十二月加入本集團並負責整體管理及策略籌劃。楊先生曾於國際商業機器有限公司(IBM)(一家於紐約證券交易所上市的公司)(股份代號：IBM)歷任多個高級管理職位。楊先生於一九九四年從美國伯克萊加利福尼亞大學獲得理學學士學位。

伍國樑，50歲，為本公司執行董事兼聯席行政總裁。伍先生於二零零四年六月加入本集團，並首要負責本公司的業務發展及財務。彼自二零零七年起擔任本集團聯席行政總裁。於加入本集團之前，伍先生曾於美國及香港Grant Thornton LLP任職約五年，於PCC Skyhorse Limited(電訊盈科(一家於聯交所上市的公司，股份代號：0008)的附屬公司)任副總裁三年。伍先生於一九九二年從美國伯克萊加利福尼亞大學獲得學士學位。

非執行董事

劉江，51歲，自本公司註冊成立之日起擔任本公司執行董事，並於二零一五年三月二十七日調任非執行董事。劉先生於二零一零年十二月加入本集團，並在Sonic Force Limited擔任董事。彼亦擔任和泓控股集團的董事會主席。劉先生於一九九一年從中國華東交通大學獲得經濟學學士學位。

Fu Qiang, aged 52, has been a non-executive Director since 23 June 2017. She worked for the China National Complete Plant Import and Export Corp. from July 1989 to February 1993, and worked for China Friendship Development International Engineering Design & Consultation Co., Ltd. from March 1993 to September 2001. In 2001, she co-founded Beijing Irena Culture Promotion Co., Ltd., where she has gained extensive experience in carrying out foreign exchanges and cooperation in the fields of culture and creative and arts. Since 2015, she has served as the chairlady and a director of Irena Group Co., Ltd.

傅強，52歲，自二零一七年六月二十三日起擔任非執行董事。彼於一九八九年七月至一九九三年二月期間任職於中國成套設備進出口集團公司；於一九九三年三月至二零零一年九月，任職於中國友發國際工程設計諮詢有限公司。彼於二零零一年聯合創辦北京體育之窗文化傳播有限公司，在文化創意藝術領域累計豐富的對外交流與合作經驗。自二零一五年起，彼擔任體育之窗文化股份有限公司主席兼董事。

Fan Tai, aged 47, joined the Company as a non-executive Director on 7 March 2014. Mr. Fan serves as Chief Risk Officer at Beijing Qianniu Asset Management Co. Ltd since 2019. Mr. Fan served as Chief Investment Officer from 2009 to 2018 and executive director from 2014 to 2009 at KongZhong Corporation, a company listed on NASDAQ (stock code: KZ). Mr. Fan served as vice president of finance from 2002 to 2009 and executive director from 2003 to 2009 at TOM Online, a web portal. Mr. Fan obtained his EMBA degree from the State University of New Jersey, U.S. in 2003 and Bachelor of Economics degree from the Beijing Institute of Economics, China in 1994.

樊泰，47歲，於二零一四年三月七日加入本公司擔任非執行董事。樊先生自二零一九年起在北京千牛資產管理有限公司擔任首席風險官。樊先生自二零零九年至二零一八年於空中網集團(一家於納斯達克上市的公司，股份代號：KZ)擔任投資總監，並自二零一四年至二零零九年擔任空中網集團執行董事。樊先生於二零零二年至二零零九年擔任門戶網站TOM Online的財務副總監，並於二零零三年至二零零九年擔任執行董事。樊先生於二零零三年從美國新澤西州立大學獲得EMBA學位，並於一九九四年從中國北京經濟學院獲得經濟學學士學位。

Chen Xian, aged 37, has been a non-executive Director since 7 March 2014. Mr. Chen has worked at CMC Capital Partners since May 2013 and serves as a partner since 28 January 2018. From July 2009 to March 2013, he worked at Providence Equity Asia Limited and served as a director by the time he left. Prior to that, Mr. Chen served at Morgan Stanley Private Equity Asia Division from 2004 to June 2009. Mr. Chen obtained his Bachelor of Engineering degree in Electronics Engineering from Tsinghua University, China in 2003.

陳弦，37歲，自二零一四年三月七日起擔任非執行董事。陳先生自二零一三年五月起任職於CMC Capital Partners，彼自二零一八年一月二十八日起為該公司合夥人。於二零零九年七月至二零一三年三月，陳先生就職於普維投資亞洲有限公司，於離職前任董事一職。在此之前，陳先生於二零零四年至二零零九年六月曾就職於摩根士丹利亞洲私募股權部。陳先生於二零零三年從中國清華大學獲得電子工程學學士學位。

Independent Non-Executive Directors

Ge Xuan, aged 48, has been an independent non-executive Director since the Listing. Mr. Ge serves as director general manager of Minsheng Tonghui Asset management Co., Ltd. Mr. Ge served as vice general manager of business department of Chengdu division, general manager of investment management department, and assistant to general manager at Guosen Securities Co., Ltd. from July 1993 to October 1998. He also served as manager of trade investment department and assistant to general manager of Boshi Fund Management Co., Ltd. from January 1999 to June 2000. He was a member of the Investment Decision Committee and Risk Management Committee, director of trading department, assistant to the president of Penghua Fund Management Co., Ltd. from July 2000 to March 2002, chief investment officer of Jin Yuan Securities Co., Ltd. from August 2002 to December 2003, and vice president and director of Huaxi Securities Co., Ltd. from December 2003 to October 2010. He has been a director of Wangxiang Trust Co., Ltd since 18 August 2012. Mr. Ge obtained his Bachelor's degree in Economics from Shenzhen University in 1993 and obtained his Master degree in Business Administration from Cheung Kong Graduate School of Business in 2010.

Lu Zhong, aged 56, has been an independent non-executive Director since the Listing. Mr. Lu worked at the General Planning Bureau under the Ministry of Machine & Electric Industry of China as a civil servant from August 1984 to August 1990; as deputy chief executive officer of 8848.net from May 2000 to May 2002; as general sales manager of China and Hong Kong region of Advanced Micro Devices, Inc., a company listed on the New York Stock Exchange (stock code: AMD) from July 2003 to October 2004. Mr. Lu then served as the chairman of the board of HiChina.com and the chief strategy officer from then to September 2009 as well as the president from 2010 until December 2012 at HiChina.com. Mr. Lu served as a vice president of the Alibaba Group from December 2012 until July 2014. Mr. Lu became the founding partner of Beijing Zhonghai Investment Ltd since August 2014. Mr. Lu obtained his Bachelor's degree in computer and application from Harbin Institute of Electrical Engineering in 1984, and obtained his Master degree in Business Administration from Cheung Kong Graduate School of Business in 2010.

獨立非執行董事

葛旋，48歲，自上市起擔任獨立非執行董事。葛先生擔任民生通惠資產管理有限公司的董事總經理。葛先生於一九九三年七月至一九九八年十月曾於國信證券股份有限公司擔任成都業務部副總經理、投資管理部總經理及總經理助理。彼亦於一九九九年一月至二零零零年六月擔任博時基金管理有限公司的貿易投資部經理及總經理助理。彼於二零零零年七月至二零零二年三月擔任鵬華基金管理有限公司的投資決策委員會及風險管理委員會成員及貿易部門主管及總裁助理，於二零零二年八月至二零零三年十二月擔任金元證券股份有限公司的投資總監，以及於二零零三年十二月至二零一零年十月擔任華西證券有限責任公司的副總裁及董事。彼自二零一二年八月十八日起擔任萬向信託有限公司的董事。葛先生於一九九三年從深圳大學獲得經濟學學士學位並於二零一零年獲得長江商學院工商管理碩士學位。

魯眾，56歲，自上市起擔任獨立非執行董事。魯先生曾於一九八四年八月至一九九零年八月在中國機械電子工業部旗下總規劃局擔任電腦系統工程師；於二零零零年五月至二零零二年五月擔任北京珠穆朗瑪電子商務網絡服務有限公司的副行政總裁；於二零零三年七月至二零零四年十月擔任Advanced Micro Devices, Inc.(一家於紐約證券交易所上市的公司，股份代號：AMD)中國及香港區銷售總經理。其後，魯先生擔任北京萬網誌成科技有限公司董事會主席兼策略總監(直至二零零九年九月)，並於二零一零年至二零一二年十二月擔任該公司總裁。魯先生自二零一二年十二月至二零一四年七月擔任阿里巴巴集團的副總裁。魯先生自二零一四年八月成為北京眾海投資有限公司創立合夥人。魯先生於一九八四年從哈爾濱電工學院獲得計算機及應用學士學位，並於二零一零年長江商學院工商管理碩士學位。

Tyen Kan Hee Anthony, aged 63, was appointed as an independent non-executive Director on 27 March 2018. Dr. Tyen has over 40 years' experience in accounting, auditing and consultancy practice. In 1977, he joined Price Waterhouse, and then joined Klynveld Main Goerdeler and The Morgan Bank. Dr. Tyen founded his own accounting and consulting firm in 1985. His firm then merged with Grant Thornton, a major international accounting firm in Hong Kong, in 1990. He was stationed in Beijing for seven years since then and was responsible for the development of the firm's China practice. From 2001 to 2003, he worked in a local bank and participated in the bank's mergers and acquisitions business. Since 2003, he has been working at his own accounting and consulting firm providing professional services for local and international companies.

田耕熹，63歲，於二零一八年三月二十七日獲委任為獨立非執行董事。田博士於會計、審計及諮詢行業積逾40年經驗。於一九七七年，彼加入羅兵咸永道會計師事務所，隨後加入Klynveld Main Goerdeler和摩根銀行。田博士於一九八五年創辦本身的會計及諮詢事務所。其事務所隨後於一九九零年與香港主要國際會計師事務所致同會計師事務所合併。此後彼於北京工作七年，負責發展事務所在中國的業務。於二零零一年至二零零三年，彼任職於一家本地銀行，負責該銀行的併購業務。自二零零三年以來，彼一直任職於其本身的會計及諮詢事務所，為當地及國際公司提供專業服務。

Dr. Tyen holds a doctorate degree in Philosophy and a master degree in Business Administration, both from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong, a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Directors and the Institute of Chartered Secretaries and Administration and a member of the Chinese Institute of Certified Public Accountants.

田博士持有香港中文大學的哲學博士學位及工商管理碩士學位。彼為香港會計師公會及香港稅務學會會員、英國特許公認會計師公會、香港董事學會及英國特許秘書及行政人員公會資深會員及中國註冊會計師協會會員。

Dr. Tyen is currently an independent non-executive director of Melco International Development Limited (Stock Exchange stock code: 200) and China Baofeng (International) Limited (Stock Exchange stock code: 3966). He was previously an independent director of Alpha Peak Leisure Inc. (TSX stock code: AAP:Venture), a company listed on the TSX Venture Exchange Inc., and Entertainment Gaming Asia Inc. (Nasdaq: EGT), a company listed on the NASDAQ Capital Market. Dr. Tyen was also an independent non-executive director of Summit Ascent Holdings Limited (Stock Exchange stock code: 102), ASR Logistics Holdings Limited (now known as Beijing Sports and Entertainment Industry Group Limited) (Stock Exchange stock code: 1803), Value Convergence Holdings Limited (Stock Exchange stock code: 821), Recruit Holdings Limited (later known as Cinderella Media Group Limited and now known as KK Culture Holdings Limited) (Stock Exchange stock code: 550).

田博士現為新濠國際發展有限公司(聯交所股份代號：200)及中國寶豐(國際)有限公司(聯交所股份代號：3966)的獨立非執行董事。彼先前為Alpha Peak Leisure Inc.(TSX股份代號：AAP：Venture，一家於TSX Venture Exchange Inc.上市的公司)及Entertainment Gaming Asia Inc.(納斯達克：EGT，一家於納斯達克資本市場上市的公司)的獨立董事。田先生先前亦為凱升控股有限公司(聯交所股份代號：102)、瀚洋物流控股有限公司(現稱為北京體育文化產業集團有限公司)(聯交所股份代號：1803)、滙盈控股有限公司(聯交所股份代號：821)、才庫媒體集團有限公司(前稱為先傳媒集團有限公司，現稱為KK文化控股有限公司)(聯交所股份代號：550)的獨立非執行董事。

Biographical Details of Senior Management

Senior Management

Zhang Peng, aged 42, joined our Group as president in February 2014. Mr. Zhang is responsible for mobile games operation of the Company. He also served as assistant to general manager of Zhuowang Information Technology Co., Ltd. from April 2011 to November 2013. He founded and was the executive vice president of Yisanjiu Mobile Internet Company from November 2008 to April 2011. He served as deputy head of business centre, deputy head of product development, deputy head of cooperation and management centre of the monternet division of China Mobile Communications Corporation, a company listed on both the New York Stock Exchange (stock code: CHL) and the Stock Exchange (stock code: 0941), from September 1998 to October 2008. Mr. Zhang received his Bachelor Degree in electronics and information systems from Shandong University, China in 1998 and obtained his Master degree in Business Administration from Cheung Kong Graduate School of Business in 2009.

高級管理層履歷詳情

高級管理層

張鵬，42歲，於二零一四年二月加入本集團擔任總裁。張先生負責本公司的移動遊戲業務。彼亦於二零一一年四月至二零一三年十一月擔任卓望資訊技術有限公司的總經理助理。彼創辦一三九移動互聯網公司並於二零零八年十一月至二零一一年四月擔任執行副總裁。彼於一九九八年九月至二零零八年十月於中國移動通信集團公司(China Mobile Communications Corporation)(一家於紐約證券交易所(股份代號：CHL)及聯交所(股份代號：0941)上市的公司)擔任業務中心副主任、產品開發副主任、移動夢網分部(monternet division)合作及管理中心副主任。張先生於一九九八年從中國山東大學獲得電子及信息系統學士學位，並於二零零九年獲得長江商學院工商管理碩士學位。

17. DIRECTORS' SERVICE CONTRACTS

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

Ms. Fu Qiang has signed an appointment letter with the Company for a term of three years commencing on 23 June 2017, Dr. Tyen Kan Hee Anthony has signed an appointment letter with the Company for a term of three years commencing on 27 March 2018, and each of the other non-executive Directors and independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing from the Listing Date. The appointments of Directors are subject to the provisions of retirement and rotation of Directors under the articles of association of the Company (the "**Articles of Association**").

None of the Directors proposed for re-election at the forthcoming annual general meeting ("**AGM**") has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

17. 董事服務合約

各執行董事已與本公司訂立服務合約，據此，彼等同意自上市日期起出任執行董事，任期為三年，而此後任期將持續至執行董事或本公司向另一方發出不少於三個月之書面通知終止。

傅強女士與本公司簽署自二零一七年六月二十三日生效為期三年的委任函。田耕熹博士與本公司簽署自二零一八年三月二十七日開始為期三年的委任函，而其他非執行董事及獨立非執行董事各自已與本公司簽署自上市日期生效起為期三年的委任函。董事委任須遵守本公司組織章程細則(「**組織章程細則**」)有關董事輪值告退之條文。

於應屆股東週年大會(「**股東週年大會**」)擬膺選連任之董事概無訂立可由本公司或其任何附屬公司於一年內毋須賠償(法定賠償除外)而終止之未屆滿服務合約。

18. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 December 2018.

18. 董事於重大交易、安排或合約之權益

除本年報所披露者外，於截至二零一八年十二月三十一日止年度任何時間內，本公司或其任何附屬公司並無訂立與本集團業務有關，而董事直接或間接擁有重大權益之重大交易、安排及合約。

19. DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors and those of the five highest paid individuals are set out in Note 11 to the consolidated financial statements. The remuneration of the Directors are determined based on the market price and contribution made by such Director to the Company.

There has been no arrangement under which any Director has waived or agreed to waive any emoluments.

19. 董事酬金

有關董事及五名最高薪酬人士之薪酬詳情載於綜合財務報表附註11。董事薪酬乃根據市價及該董事對本公司作出的貢獻釐定。

本公司並無訂立任何董事可藉其放棄或同意放棄任何酬金的安排。

20. PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director or other officers of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favor, or in which he/she is acquitted.

The Company has maintained Directors' liability insurance during the year ended 31 December 2018 and up to the date of this annual report which provides appropriate cover for the Directors.

20. 獲准彌償條文

根據組織章程細則，各董事或本公司其他高級人員有權就其擔任董事或本公司其他高級人員於任何民事或刑事法律程序中進行辯護(無論獲判勝訴或無罪)而產生或蒙受的所有虧損或負債從本公司資產中獲得彌償。

本公司於截至二零一八年十二月三十一日止年度及直至本年報日期已為董事投保董事責任保險以為其提供適當的保障。

21. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2018, the interests and short positions of the Directors and the chief executives 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 they have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

21. 董事及主要行政人員於本公司股份、相關股份及債券中擁有的權益及淡倉

於二零一八年十二月三十一日，董事及本公司主要行政人員於本公司或其相關法團(定義見證券及期貨條例第XV部)之股份、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8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例相關條文彼等被當作或被視為擁有的權益及淡倉)；或(b)根據證券及期貨條例第352條須記錄於本公司根據該條例存置之登記冊內的權益及淡倉；或(c)根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)須知會本公司及聯交所的權益及淡倉如下：

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of interest in the Company[4] 佔本公司權益的概約百分比[4]
Shares **股份**			
Mr. Yang 楊先生	Interest in controlled corporation[1] 受控法團權益[1]	221,653,555(L)	20.27%
Mr. Ng 伍先生	Interest in controlled corporation[1] 受控法團權益[1]	221,653,555(L)	20.27%
Mr. Liu Jiang ("**Mr. Liu**") 劉江先生(「**劉先生**」)	Interest of spouse 配偶權益	2,182,000(L)	0.20%
Share Options **購股權**			
Mr. Yang 楊先生	Beneficial interest[2] 實益權益[2]	36,531,064(L)	3.34%
Mr. Ng 伍先生	Beneficial Interest[3] 實益權益[3]	36,531,064(L)	3.34%

Notes:

(1) The interest is directly held by Jianying Ourgame High Growth Investment Fund (建贏聯眾高成長投資基金) in which Total Victory Global Limited, controlled by Mr. Yang, Mr. Ng and Mr. Zhang Peng, has the majority voting rights. Please refer to the Company's announcement dated 4 January 2018 for further information.

(2) The interest comprises 20,851,064 underlying shares and 15,680,000 underlying shares granted to Mr. Yang pursuant to the Management Pre-IPO Share Option Scheme and the 2014 Share Option Scheme, respectively. Details of the share options granted are set out in the section headed "Share Option Schemes"

(3) The interest comprises 20,851,064 underlying shares and 15,680,000 underlying shares granted to Mr. Ng pursuant to the Management Pre-IPO Share Option Scheme and the 2014 Share Option Scheme, respectively. Details of the share options granted are set out in the section headed "Share Option Schemes".

(4) The letter "L" denotes the person's long position in such shares.

(5) The percentages are calculated on the basis of 1,093,355,443 shares in issue as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executives of the Company and their respective associates had or was deemed to have any interests 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 the Directors and chief executives of the Company are taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

附註：

(1) 該等權益由建贏聯眾高成長投資基金直接持有，而Total Victory Global Limited(由楊先生、伍先生及張鵬先生控制)於當中擁有大部分投票權。有關進一步詳情，請參閱本公司日期為二零一八年一月四日的公告。

(2) 該權益包括分別根據管理層首次公開發售前購股權計劃及二零一四年購股權計劃授予楊先生的20,851,064股相關股份及15,680,000股相關股份。有關已授出購股權的詳情載於「購股權計劃」章節。

(3) 該權益包括分別根據管理層首次公開發售前購股權計劃及二零一四年購股權計劃授予伍先生的20,851,064股相關股份及15,680,000股相關股份。有關已授出購股權的詳情載於「購股權計劃」章節。

(4) 「L」代表該人士於該等股份的好倉。

(5) 該等百分比按於二零一八年十二月三十一日已發行股份1,093,355,443股計算。

除上文所披露者外，於二零一八年十二月三十一日，概無董事或本公司主要行政人員及彼等各自之聯繫人於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有或被視為擁有任何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之權益或淡倉(包括董事及本公司主要行政人員根據證券及期貨條例有關條文被當作或被視為擁有的權益及淡倉)；或根據證券及期貨條例第352條須記錄在本公司存置的登記冊的權益及淡倉，或根據標準守則將須知會本公司及聯交所之權益或淡倉。

Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

To the best knowledge of our Directors, as at 31 December 2018, the following persons (other than the Directors or the chief executives of the Company) had interests or short positions in the shares, underlying shares and debentures of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

主要股東於本公司股份、相關股份及債券中擁有的權益及淡倉

據董事所深知，於二零一八年十二月三十一日，於本公司股份、相關股份及債券中擁有須根據證券及期貨條例第336條記錄於本公司根據該條例存置的登記冊內的權益或淡倉的人士(本公司董事或主要行政人員除外)如下：

Name of Shareholders 股東姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of interest in the Company[3] 佔本公司權益的概約百分比[3]
Irena Group Co., Ltd. 體育之窗文化股份有限公司	Interest of controlled corporation[1] 受控法團權益[1]	290,690,848(L)	26.59%
Glassy Mind Holdings Limited 亮智控股有限公司	Beneficial owner[1] 實益擁有人[1]	290,690,848(L)	26.59%
Mr. Zhang Peng ("**Mr. Zhang**") 張鵬先生(「**張先生**」)	Beneficial owner 實益擁有人	12,884,425(L)	1.18%
	Interest of controlled corporation 受控法團權益	221,653,555(L)	20.27%
Total Victory Global Limited	Interest of controlled corporation[2] 受控法團權益[2]	221,653,555 (L)	20.27%
Jianying Ourgame High Growth Investment Fund 建贏聯眾高成長投資基金	Beneficial owner[2] 實益擁有人[2]	221,653,555 (L)	20.27%
CMC Ace Holdings Limited	Beneficial owner[3] 實益擁有人[3]	117,600,000(L)	10.76%

Name of Shareholders 股東姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of interest in the Company[3] 佔本公司權益的概約百分比[3]
CMC Capital Partners, GP, L.P.	Interest of controlled corporation[3] 受控法團權益[3]	117,600,000(L)	10.76%
CMC Capital Partners, GP, Ltd.	Interest of controlled corporation[3] 受控法團權益[3]	117,600,000(L)	10.76%
CMC Capital Partners, L.P.	Interest of controlled corporation[3] 受控法團權益[3]	117,600,000(L)	10.76%
La Confiance Investments Ltd.	Interest of controlled corporation[3] 受控法團權益[3]	117,600,000(L)	10.76%
Le Bonheur Holdings Ltd.	Interest of controlled corporation[3] 受控法團權益[3]	117,600,000(L)	10.76%
KongZhong Corporation 空中網有限公司	Beneficial owner[4] 實益擁有人[4]	20,737,000(L)	1.90%
	Interest of controlled corporation[4] [5] 受控法團權益[4][5]	71,351,351(L)	6.53%
Linkedsee Group Limited	Interest of controlled corporation[4] 受控法團權益[4]	92,088,351(L)	8.42%
Linkedsee Limited	Interest of controlled corporation[4] 受控法團權益[4]	92,088,351(L)	8.42%
Mr. Wang LeiLei 王雷雷先生	Interest of controlled corporation[4] 受控法團權益[4]	92,088,351(L)	8.42%
Shanghai Changhui Internet Technology Co., Ltd. 上海常匯互聯網科技有限公司	Interest of controlled corporation[4] 受控法團權益[4]	92,088,351(L)	8.42%
Beijing Wuxing Rongcheng Technology Co., Ltd. 北京五星融誠科技有限責任公司	Interest of controlled corporation[4] 受控法團權益[4]	92,088,351(L)	8.42%
Noumena Innovations (BVI) LTD.	Beneficial owner[5] 實益擁有人[5]	71,351,351(L)	6.53%

Name of Shareholders 股東姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of interest in the Company[3] 佔本公司權益的概約百分比[3]
Dacheng (Singapore) Pte. Ltd.	Interest of controlled corporation[5] 受控法團權益[5]	71,351,351(L)	6.53%
Mr. Yang Zhen 楊震先生	Interest of controlled corporation[5] 受控法團權益[5]	71,351,351(L)	6.53%
Shanghai Dacheng Internet Technology Co., Ltd. 上海大承網絡技術有限公司	Interest of controlled corporation[5] 受控法團權益[5]	71,351,351(L)	6.53%
Kongzhong (China) Co., Ltd. 空中(中國)有限公司	Interest of controlled corporation[5] 受控法團權益[5]	71,351,351(L)	6.53%
Alpha Lion Investments Limited 領獅投資有限公司	Beneficial owner[6] 實益擁有人[6]	64,864,864(L)	5.93%
Global Elite Group Limited	Interest of controlled corporation[6] 受控法團權益[6]	64,864,864(L)	5.93%
Ms. Han Lei 韓蕾女士	Interest of controlled corporation[6] 受控法團權益[6]	64,864,864(L)	5.93%
Mr. Huang Xianqin 黃顯勤先生	Interest of controlled corporation[6] 受控法團權益[6]	64,864,864(L)	5.93%
Ruixin Taifu Investment Group Co., Ltd.	Interest of controlled corporation[6] 受控法團權益[6]	64,864,864(L)	5.93%
Silverwood International Limited	Interest of controlled corporation[6] 受控法團權益[6]	64,864,864(L)	5.93%
Mr. Xu Rongta 徐榮塔先生	Interest of controlled corporation[6] 受控法團權益[6]	64,864,864(L)	5.93%

Notes:

(1) The 290,690,848 shares represent the same block of shares held by a chain of ownership involving Glassy Mind Holdings Limited.

附註：

(1) 該等290,690,848股股份指由包括亮智控股有限公司之一連串擁有人持有的同一批股份。

(2) The interest is directly held by Jianying Ourgame High Growth Investment Fund (建贏聯眾高成長投資基金) in which Total Victory Global Limited, controlled by Mr. Yang, Mr. Ng and Mr. Zhang, has the majority voting rights.

(3) The 117,600,000 shares represent the same block of shares held by a chain of ownership involving CMC Capital Partners.

(4) The 92,088,351 shares represent the same block of shares held by a chain of ownership involving KongZhong Corporation.

(5) The 71,351,351 shares represent the same block of shares held by a chain of ownership involving Noumena Innovations (BVI) LTD.

(6) The 64,864,864 shares represent the same block of shares held by a chain of ownership involving Alpha Lion Investments Limited.

(7) The percentage figures have been subject to rounding adjustments. Accordingly, figures shown in totals may not be an arithmetic aggregation of the figures preceding them.

(8) The letter "L" denotes the person's long position in such shares.

(9) The percentages are calculated on the basis of 1,093,355,443 shares in issue as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

22. CONNECTED TRANSACTIONS

During the year ended 31 December 2018, save as disclosed below, no other related party transactions disclosed in Note 33 to the consolidated financial statements constitutes a connected transaction or continuing connected transaction which should be disclosed pursuant to Chapter 14A of the Listing Rules. All the connected transactions and continuing connected transactions with disclosure requirements under the Listing Rules during the year are listed below. The Directors confirm they have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

(2) 該權益由建贏聯眾高成長投資基金直接持有，而Total Victory Global Limited(由楊先生、伍先生及張鵬先生控制)於當中擁有大部分投票權。

(3) 該等117,600,000股股份指由包括CMC Capital Partners之一連串擁有人持有的同一批股份。

(4) 該等92,088,351股股份指由包括空中網有限公司之一連串擁有人持有的同一批股份。

(5) 該等71,351,351股股份指由包括Noumena Innovations (BVI) LTD.之一連串擁有人持有的同一批股份。

(6) 該等64,864,864股股份指由包括領獅投資有限公司之一連串擁有人持有的同一批股份。

(7) 百分比數字已經約整。因此，所示的總數未必為其之前數字的算術總和。

(8) 「L」代表該人士於該等股份之好倉。

(9) 該等百分比按於二零一八年十二月三十一日已發行的1,093,355,443股股份計算。

除上文所披露者外，於二零一八年十二月三十一日，董事及本公司主要行政人員概不知悉任何其他人士(董事或本公司主要行政人員除外)於本公司股份、相關股份或債券中擁有須根據證券及期貨條例第336條記錄於本公司根據該條例存置的登記冊內的權益或淡倉。

22. 關連交易

於截至二零一八年十二月三十一日止年度內，除下文所披露者外，綜合財務報表附註33披露的其他關聯方交易概不構成根據上市規則第14A章須予以披露的關連交易或持續關連交易。年內所有須遵守上市規則披露規定的關連交易及持續關連交易於下文詳列。董事確認彼等已遵守上市規則第14A章有關的披露規定。

Connected Transactions

Management Subscription Agreement

On 12 September 2017, the Company and Total Victory Global Limited (the "**Management Subscriber**") entered into the management subscription agreement (the "**Management Subscription Agreement**"), pursuant to which the Management Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 89,189,189 new shares at the subscription price of HK$1.85 per share (the "**Management Subscription Shares**").

As at the signing date of the Management Subscription Agreement, the Management Subscriber was owned equally by Mr. Yang, Mr. Ng and Mr. Zhang. As Mr. Yang and Mr. Ng are executive Directors, the Management Subscriber is an associate of Mr. Yang and Mr. Ng, and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules.

Completion of the Management Subscription took place on 4 January 2018 and the Management Subscription Shares were issued on the same day. Upon the completion of the transaction, Mr. Yang, Mr. Ng, Mr. Zhang, the Management Subscriber and their associates and concert parties are interested in 221,653,555 issued shares of the Company in aggregate, representing approximately 20.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Management Subscription Shares and Connected Subscription Shares (as defined below).

Further details of the transaction are set out in the announcements of the Company dated 12 September 2017 and 4 January 2018 and the circular of the Company dated 13 October 2017.

Connected Subscription Agreement

On 12 September 2017, the Company and Irena Group Co., Ltd. (the "**Connected Subscriber**") entered into the connected subscription agreement (the "**Connected Subscription Agreement**"), pursuant to which the Connected Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 64,690,848 new shares at the subscription price of HK$1.85 per share (the "**Connected Subscription Shares**").

As at the signing date of the Connected Subscription Agreement, the Connected Subscriber was a substantial shareholder of the Company holding 226,000,000 shares through Glassy Mind Holdings Limited, and therefore is a connected person of the Company under Rule 14A.07(1) of the Listing Rules.

關連交易

管理層認購協議

於二零一七年九月十二日，本公司與Total Victory Global Limited(「**管理層認購人**」)訂立管理層認購協議(「**管理層認購協議**」)，據此管理層認購人有條件同意認購，而本公司有條件同意以認購價每股1.85港元配發及發行89,189,189股新股份(「**管理層認購事項股份**」)。

於管理層認購協議簽署日期，管理層認購人由楊先生、伍先生及張先生共同擁有。由於楊先生及伍先生為執行董事，管理認購人為楊先生及伍先生的聯繫人，故根據上市規則14A.07(1)條管理認購人為本公司的關連人士。

管理層認購事項於二零一八年一月四日完成，而管理層認購事項股份於同日發行。於該交易完成後，楊先生、伍先生、張先生、管理層認購人及彼等聯繫人及一致行動人士於合共221,653,555股本公司已發行股份中擁有權益，相當於本公司已發行股本約20.58%(經配發及發行管理層認購事項股份及關連認購事項股份(定義見下文)擴大)。

該交易的進一步詳情載於本公司日期為二零一七年九月十二日及二零一八年一月四日的公告以及本公司日期為二零一七年十月十三日的通函。

關連認購協議

於二零一七年九月十二日，本公司與體育之窗文化股份有限公司(「**關連認購人**」)訂立關連認購協議(「**關連認購協議**」)，據此關連認購人有條件同意認購，而本公司有條件同意以認購價每股1.85港元配發及發行64,690,848股新股份(「**關連認購事項股份**」)。

於關連認購協議簽署日期，關連認購人為本公司主要股東，透過亮智控股有限公司持有226,000,000股股份，故根據上市規則第14A.07(1)條為本公司關連人士。

Completion of the Connected Subscription took place on 4 January 2018 and the Connected Subscription Shares were issued on the same day. Upon the completion of the transaction, the Connected Subscriber and their associates and concert parties are interested in 290,690,848 issued shares of the Company in aggregate, representing approximately 26.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Management Subscription Shares and Connected Subscription Shares.

Further details of the transaction are set out in the announcements of the Company dated 12 September 2017 and 4 January 2018 and the circular of the Company dated 13 October 2017.

關連認購事項於二零一八年一月四日完成，而關連認購事項股份於同日發行。於該交易完成後，關連認購人及其聯繫人以及一致行動人士於合共290,690,848股本公司已發行股份中擁有權益，相當於本公司已發行股本約26.99%(經配發及發行管理層認購事項股份及關連認購事項股份擴大)。

該交易的進一步詳情載於本公司日期為二零一七年九月十二日及二零一八年一月四日的公告以及本公司日期為二零一七年十月十三日的通函。

Reorganization Agreement

On 15 August 2018, the Company, Beijing Lianzhong, WFOE, Mr. Liu Jiang, Mr. Zhang Rongming, Mr. Shen Dongri, Mr. Bao Yueqiao, Ms. Long Qi and Ms. Wu Lan ("**Beijing Lianzhong Shareholders**") entered into a reorganisation agreement (the "**Reorganisation Agreement**"), pursuant to which the parties agreed to reorganize the domestic PRC online game business currently held by Beijing Lianzhong. Pursuant to the Reorganisation Agreement, Beijing Lianzhong will retain the Ourgame Hall, Poker World and relevant board and card game businesses, while the remaining businesses and assets , including but not limited to certain subsidiaries and all intellectual property rights, will be transferred to a wholly-owned subsidiary of Beijing Lianzhong (the "**New PRC Holdco**"). The WFOE will then enter into new contractual arrangements with the New PRC Holdco and Beijing Lianzhong, and terminate the existing contractual arrangements with Beijing Lianzhong and Beijing Lianzhong Shareholders. As consideration for the WFOE agreeing to terminate the existing contractual arrangements, Beijing Lianzhong Shareholders will pay to the WFOE a total amount of RMB85 million in annual installments starting from the completion date.

As at the signing date of the Reorganisation Agreement, (i) one of the Beijing Lianzhong Shareholders, Mr. Liu Jiang, is a non-executive Director and (ii) Mr. Liu Jiang is interested in more than 10% of the equity interest in Beijing Lianzhong. As such, each of Mr. Liu Jiang and Beijing Lianzhong is considered a connected person of the Company under Rule 14A.07(1) and Rule 14A.07(5) of the Listing Rules, respectively.

As at the date of this annual report, the proposed reorganization under the Reorganisation Agreement has been postponed as determined by the Board. Further details of the Reorganisation Agreement are set out in the announcements of the Company dated 15 August 2018 and 31 October 2018.

重組協議

於二零一八年八月十五日，本公司、北京聯眾、外商獨資企業、劉江先生、張榮明先生、申東日先生、鮑岳橋先生、龍奇女士及烏蘭女士(「**北京聯眾股東**」)訂立重組協議(「**重組協議**」)，據此，各方同意重組目前由北京聯眾所持有的中國國內線上遊戲業務。根據重組協議，北京聯眾將保留聯眾大廳、撲克世界及相關棋牌遊戲業務，而其餘業務及資產(包括但不限於若干附屬公司及所有知識產權)將轉移至北京聯眾的全資附屬公司(「**新境內持股公司**」)。外商獨資企業將與新境內持股公司及北京聯眾訂立新合約安排，並終止與北京聯眾及北京聯眾股東的現有合約安排。作為外商獨資企業同意終止現有合約安排的代價，北京聯眾股東將向外商獨資企業支付總額人民幣85百萬元，自交割日期起按年分期支付。

於重組協議簽署日期，(i)北京聯眾股東之一劉江先生為非執行董事及(ii)劉江先生擁有北京聯眾超過10%的股權。因此，根據上市規則第14A.07(1)條及第14A.07(5)條，劉江先生及北京聯眾各自分別被視為本公司關連人士。

於本年報日期，重組協議項下的建議重組經董事會決定予以延遲。重組協議的進一步詳情載於本公司日期為二零一八年八月十五日及二零一八年十月三十一日的公告。

Purchase Agreement

On 11 October 2018 (Las Vegas time), the Company, Knighted Pastures LLC, Mr. Martin Weigold, Mr. Norbert Teufel berger, Lipscomb/Viscoli Children's Trust and Mr. Steven Lipscomb (the "**Subscribers**") entered into the purchase agreement ("**Purchase Agreement**"), pursuant to which the Company agreed to issue the convertible notes in the aggregate principal amount of up to US$10 million (equivalent to approximately HK$78.3 million).

As at the date of the Purchase Agreement, Mr. Martin Weigold is a director of Peerless Media Limited, WPT Studios Worldwide Limited and WPT Distribution Worldwide Limited, each being a subsidiary of the Company, and is therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, the transaction constituted a connected transaction of the Company under the Listing Rules. Further details of the Purchase Agreement are set out in the announcements of the Company dated 15 October 2018 and 9 November 2018.

Equity Transfer Agreement

On 9 November 2018, Primo Vital Limited ("**Primo Vital**"), a wholly-owned subsidiary of the Company, and Glassy Mind Holdings Limited ("**Glassy Mind**") entered into the equity transfer agreement ("**Equity Transfer Agreement**"), pursuant to which Primo Vital agreed to acquire and Glassy Mind agreed to sell 11.75805% of the total equity interest of Champ Creation International Limited, at a cash consideration of HK$39 million.

As at the date of the Equity Transfer Agreement, Glassy Mind is a substantial shareholder of the Company and is a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Therefore, the acquisition constituted a connected transaction of the Company under the Listing Rules. Further details of the Equity Transfer Agreement are set out in the announcement of the Company dated 9 November 2018.

購買協議

於二零一八年十月十一日(拉斯維加斯時間),本公司、Knighted Pastures LLC、Martin Weigold先生、Norbert Teufel berger先生、Lipscomb/Viscoli Children's Trust及Steven Lipscomb先生(「**認購人**」)訂立購買協議(「**購買協議**」)。據此,本公司已同意發行本金總額最多10百萬美元(相當於約78.3百萬港元)的可換股票據。

於購買協議日期,Martin Weigold先生為Peerless Media Limited、WPT Studios Worldwide Limited及WPT Distribution Worldwide Limited董事(各自為本公司附屬公司),故彼根據上市規則第14A.07(1)條為本公司關連人士。因此,該交易構成本公司於上市規則項下的關連交易。有關購買協議的進一步詳情載於本公司日期為二零一八年十月十五日及二零一八年十一月九日的公告。

股權轉讓協議

於二零一八年十一月九日,本公司全資附屬公司Primo Vital Limited(「**Primo Vital**」)與Glassy Mind Holdings Limited(「**Glassy Mind**」)訂立股權轉讓協議(「**股權轉讓協議**」),據此,Primo Vital同意收購及Glassy Mind同意以現金代價39百萬港元,出售豪創國際有限公司總股權的11.75805%。

於股權轉讓協議日期,Glassy Mind為本公司主要股東且為本公司於上市規則第14A.07(1)條項下的關連人士。因此,收購事項構成本公司上市規則項下的關連交易。有關股權轉讓協議的進一步詳情載於本公司日期為二零一八年十一月九日的公告。

Contractual Arrangements

The VIE Structure 1

On 11 December 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "**FITE Regulations**"), which were amended on 10 September 2008. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must demonstrate a good track record and prior experience in providing value-added telecommunications outside the PRC prior to acquiring any equity interests in any value-added telecommunications services business in the PRC (the "**Qualification Requirement**"). Currently, none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirement. Therefore, in order for the Company to be able to carry on its business in the PRC, the Group has entered into a series of agreements to enable the Company to gain effective control over, and receive all the economic benefits generated by the business currently operated by Beijing Lianzhong and its subsidiary on the one hand, and Beijing Lianzhong and its shareholders on the other hand. Please refer to the Prospectus for further details.

As at 31 December 2018, the Company has no update to disclose in relation to the Qualification Requirement.

As disclosed in the Prospectus, the Group conducts its online game business through the PRC operating entity, Beijing Lianzhong, an important wholly-owned subsidiary of the Group. Beijing Lianzhong is principally engaged in the operation of online card and board games. Because of certain foreign investment restrictions, it was not viable for the Company to hold Beijing Lianzhong directly through equity ownership as a foreign investor. In line with common practice in industries which is subject to foreign investment restrictions in the PRC, the Company would gain effective control over, and receive all the economic benefits generated by the business currently operated by Beijing Lianzhong and its subsidiaries through a series of contractual arrangements (the "**Contractual Arrangements 1**") between Beijing Lianzhong Garden Network Technology Co., Ltd. (the "**WFOE 1**"), the Company's wholly-owned subsidiary on the one hand, and Beijing Lianzhong and its shareholders on the other hand. The Contractual Arrangements 1 allow Beijing Lianzhong's financials and results of operations, together with those of its subsidiaries, to be consolidated into our financials as if it was a wholly-owned Subsidiary of our Group (the "**VIE Structure 1**").

合約安排

可變權益實體架構1

於二零零一年十二月十一日，國務院頒佈《外商投資電信企業管理規定》(「**FITE規定**」)並於二零零八年九月十日作出修訂。根據FITE規定，外商投資者不得於提供增值電信服務的公司持有超過50%的股權。此外，向中國增值電信業務投資之外商投資者，於收購中國增值電信服務業務中的任何股權前，必須有於中國境外提供增值電信服務的良好往績記錄及經驗(「**資格要求**」)。目前，並無適用中國法律、法規或規則對資格要求提供明確指引或詮釋。因此，為使本公司能於中國開展業務，本集團已訂立一系列協議，使得本公司取得北京聯眾及其附屬公司(作為一方)與北京聯眾及其股東(作為另一方)目前經營的業務的實際控制並收取有關業務產生的所有經濟效益。有關進一步詳情，請參閱招股章程。

於二零一八年十二月三十一日，本公司概無有關資格要求的最新披露資料。

誠如招股章程所披露者，本集團透過中國營運實體北京聯眾(為本集團的全資附屬公司)進行線上遊戲業務。北京聯眾主要從事在線棋牌遊戲運營。因若干外商投資限制，由於本公司為外商投資者，故無法透過股權所有權直接持有北京聯眾。按照須遵守外商投資限制的中國行業慣例，本公司將透過本公司全資附屬公司北京聯眾家園網絡科技有限責任公司(「**外商獨資企業1**」)(作為一方)與北京聯眾及其股東(作為另一方)所訂立的一系列合約安排(「**合約安排1**」)，取得現時由北京聯眾及其附屬公司經營所業務的實際控制，並收取有關業務產生的所有經濟效益。合約安排1使北京聯眾的財務數據及經營業績連同其附屬公司的財務數據及經營業績能夠合併至我們的財務資料，猶如其為本集團的全資附屬公司(「**可變權益實體架構1**」)。

During the year ended 31 December 2018, the Company controlled Beijing Lianzhong and WFOE 1 through the Contractual Arrangements 1. WFOE 1 is a limited company incorporated under the laws of the PRC on 21 January 2014 and a wholly-owned subsidiary of Lianzhong Holdings (Hong Kong) Limited, a company incorporated under the laws of Hong Kong on 18 December 2013 and a wholly-owned subsidiary of the Company. WFOE 1 is therefore a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules. By virtue of the Contractual Arrangements 1, Beijing Lianzhong is a connected person of the Company for the purposes of Chapter 14A of the Listing Rules. The transactions under the Contractual Arrangements 1 therefore constituted continuing connected transactions of the Company. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of these continuing connected transactions.

Reasons for the Contractual Arrangements 1

Details of the reasons for using the Contractual Arrangements 1 are set out on pages 130 to 132 of the Prospectus.

Risks associated with the Contractual Arrangements 1

We believe the following risks are associated with the Contractual Arrangements 1. Further details of these risks are set out on pages 35 to 39 of the Prospectus.

- If the PRC government finds that the agreements that establish the structure for operating our business in China do not comply with applicable PRC laws and regulations, or if these laws and regulations or their interpretations change in the future, we could be subject to severe penalties and our business may be materially and adversely affected.
- The Group relies on the Contractual Arrangements 1 to control and obtain economic benefits from Beijing Lianzhong, which may not be as effective in providing operational control as equity ownership.
- The shareholders of Beijing Lianzhong may have conflicts of interest with us, which may materially and adversely affect our business and financial condition.
- Certain terms of the Contractual Arrangements 1 may not be enforceable under PRC laws.
- We may lose the ability to use and enjoy assets held by Beijing Lianzhong that are important to the operation of our business if Beijing Lianzhong declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

於截至二零一八年十二月三十一日止年度，北京聯眾及外商獨資企業1通過合約安排1由本公司控制。外商獨資企業1為一家於二零一四年一月二十一日根據中國法律註冊成立的有限公司，為聯眾控股(香港)有限公司的全資附屬公司，聯眾控股(香港)有限公司為一家於二零一三年十二月十八日根據香港法例註冊成立的公司，為本公司全資附屬公司。因此，根據上市規則第14A.07(5)條，外商獨資企業1為本公司關連人士。鑒於合約安排1，北京聯眾根據上市規則第14A章為本公司的關連人士。因此，合約安排1項下進行的交易構成本公司的持續關連交易。本公司確認其所有的持續關連交易均遵守上市規則14A章的披露規定。

使用合約安排1的原因

有關使用合約安排1的原因詳情載於招股章程第130至132頁。

有關合約安排1的風險

我們認為，下列風險與合約安排1有關。有關該等風險的進一步詳情載於招股章程第35至39頁。

- 倘中國政府發現合約安排所建立營運我們中國業務的架構未遵守適用中國法律及法規或倘該等法律及法規或其詮釋於未來發生變動，則我們將遭受嚴重處罰且我們的業務可能受到重大不利影響。
- 本集團依賴合約安排1控制及從北京聯眾獲得經濟利益，於提供經營控制方面，可能不及所有權控制有效。
- 北京聯眾股東可能與我們產生利益紛爭，從而對我們的業務及財務狀況產生重大不利影響。
- 合約安排1的若干條款或不可根據中國法律執行。
- 倘北京聯眾宣告破產或進行解散或清算程序，我們可能失去使用及享有北京聯眾所持有對我們業務營運屬重要的資產的權利。

- The Contractual Arrangements 1 between the WFOE 1 and Beijing Lianzhong may subject our Group to increased income tax due to the different income tax rates applicable to the WFOE 1 and Beijing Lianzhong, which may adversely affect our results of operations.

- The Group's exercise of the option to acquire equity interests of Beijing Lianzhong may be subject to certain limitations and the ownership transfer may subject us to substantial costs.

- The Contractual Arrangements 1 between the WFOE 1 and Beijing Lianzhong may be subject to scrutiny by the PRC tax authorities and any finding that we or Beijing Lianzhong owe additional taxes could substantially reduce our consolidated net income and the value of our Shareholders' investment.

Mitigation actions taken by the Company

- The Company has existing protections measures under the Contractual Arrangements 1. The Company's Risk Management Committee will regularly review the compliance and performance of such conditions under the Contractual Arrangements 1.

- The Company's public affair department and legal department will deal with matters relating to compliance and regulatory enquiries from relevant PRC authorities and report to the Board on a regular basis.

- Legal advisers and other professional have been and will continue to be retained to assist the Company to deal with related matters arising from the Contractual Arrangements 1, and the auditor of the Group was engaged to provide annual confirmations regarding the Contractual Arrangements 1.

The extent to which the Contractual Arrangements 1 relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements 1 are subject to the restrictions as set out on pages 130 to 132 of the Prospectus.

Contractual Arrangements 1

During the year ended 31 December 2018, the Contractual Arrangements 1 comprised six agreements, namely (a) the Master Exclusive Service Agreement 1, (b) the Business Cooperation Agreement 1, (c) the Exclusive Option Agreement 1, (d) the Share Pledge Agreement 1, (e) the Proxy Agreement 1 and (f) the Power of Attorney 1.

- 外商獨資企業1與北京聯眾的合約安排1可能導致本集團所得稅增加，乃由於外商獨資企業1與北京聯眾適用的不同所得稅率對我們的經營業績可能造成不利影響。

- 本集團行使購股權收購北京聯眾股權可能受限於若干限制，且所有權轉讓可能導致我們產生大量成本。

- 外商獨資企業1與北京聯眾之間的合約安排1可能須經中國稅務機關檢查，倘發現任何我們或北京聯眾虧欠額外稅項，將大幅降低我們的綜合收益淨額及我們股東的投資價值。

本公司採取的緩和措施

- 本公司擁有合約安排1項下現有保護措施。本公司風險管理委員會將定期審查合約安排1項下相關條件的遵守及履行情況。

- 本公司的公共事務部及法律部門將處理有關合規的情況及相關中國機構監管查詢事項，並定期向董事會報告。

- 法律顧問及其他專業人士已經及將繼續協助本公司處理合約安排1產生的有關事項，且本集團已委聘核數師就合約安排1提供年度確認。

合約安排1內除外資擁有權限制外有關規定

所有合約安排1須遵守招股章程第130至132頁所載限制規定。

合約安排1

於截至二零一八年十二月三十一日止年度，合約安排1包含六份協議，即(a)獨家服務總協議1、(b)業務合作協議1、(c)獨家購股權協議1、(d)股份質押協議1、(e)委託協議1及(f)授權委託書1。

The following diagram illustrates how economic benefits flow from Beijing Lianzhong to our Group under the Contractual Arrangements 1:

下表闡述根據合約安排1，北京聯眾為本集團帶來的經濟利益：

(1) Convenants not to materially affect Beijing Lianzhong's assets and business and right to appoint its directors and officers (Note 1)

(2) Power of attorney to exercise all shareholders' rights in Beijing Lianzhong (Note 2)

(3) Exclusive option to acquire all or part of the equity interest in Beijing Lianzhong (Note 3)

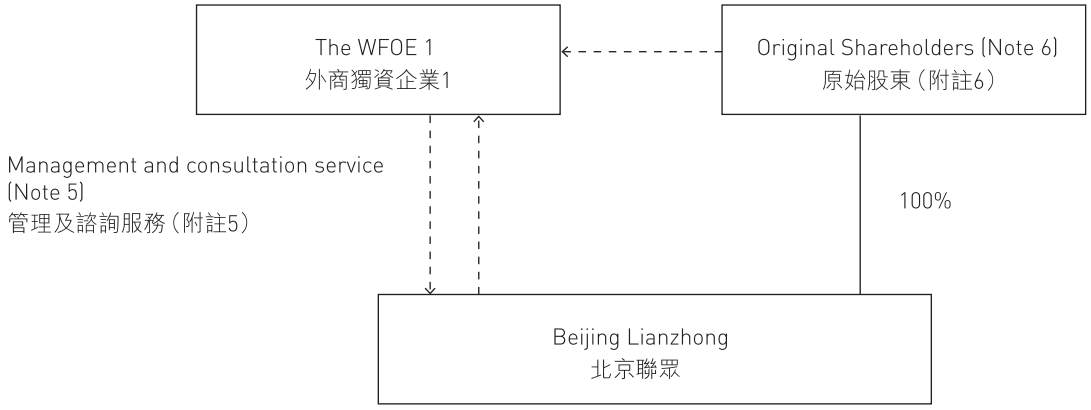
(4) First priority security interest over the entire equity interest in Beijing Lianzhong (Note 4)

(1) 不會對北京聯眾之資產及業務以及委任其董事及高級職員之權利造成重大影響之契諾(附註1)

(2) 行使北京聯眾所有股東權利之授權委託書(附註2)

(3) 收購北京聯眾全部或部分股權之獨家購股權(附註3)

(4) 對北京聯眾全部股權之第一優先抵押權益(附註4)



Notes:

1. Please refer to the section headed "Contractual Arrangements 1 — Business Cooperation Agreement 1" of this annual report for details.

2. Please refer to the section headed "Contractual Arrangements 1 — Proxy Agreement and Power of Attorney 1" of this annual report for details.

3. Please refer to the section headed "Contractual Arrangements 1 — Exclusive Option Agreement 1" of this annual report for details.

附註：

1. 有關詳情，請參閱本年報「合約安排1—業務合作協議1」一節。

2. 有關詳情，請參閱本年報「合約安排1—委託協議及授權委託書1」一節。

3. 有關詳情，請參閱本年報「合約安排1—獨家購股權協議1」一節。

4. Please refer to the section headed "Contractual Arrangements 1 — Share Pledge Agreement 1" of this annual report for details.

5. Please refer to the section headed "Contractual Arrangements 1 — Master Exclusive Service Agreement 1" of this annual report for details.

6. Original Shareholders are Mr. Zhang Rongming, Mr. Liu, Mr. Shen, Mr. Bao Yueqiao, Ms. Long and Ms. Wu Lan.

7. "—" denotes direct legal and beneficial ownership in the equity interest and "--->" denotes contractual relationship.

Master Exclusive Service Agreement 1

Beijing Lianzhong entered into a master exclusive service agreement with the WFOE 1 on 28 January 2014 (the "**Master Exclusive Service Agreement 1**"), pursuant to which, in exchange for a quarterly service fee, Beijing Lianzhong agreed to engage the WFOE 1 as its exclusive provider for the following services:

- any activities not within its normal business scope, or operating its business in a way that is inconsistent with its past practice;
- providing technology development and transfer, and technical consulting services;
- providing occupation and pre-occupation staff training services;
- providing public relation services;
- providing market investigation, research and consulting services;
- providing mid- or short-term market development and market planning services;
- providing human resource management and internal information management;
- providing network development, upgrade and daily maintenance;
- providing sale services of self-produced products;
- licensing of software;
- providing maintenance services in respect of computer software and hardware system, database and computer servers;
- providing maintenance and upgrade services in respect of the online games;

4. 有關詳情，請參閱本年報「合約安排1—股份質押協議1」一節。

5. 有關詳情，請參閱本年報「合約安排1—獨家服務總協議1」一節。

6. 原股東為張榮明先生、劉先生、申先生、鮑嶽橋先生、龍女士及烏蘭女士。

7. 「—」指於股權中的直接合法及實益擁有權益及「--->」指合約關係。

獨家服務總協議1

北京聯眾於二零一四年一月二十八日與外商獨資企業1訂立獨家服務總協議(「**獨家服務總協議1**」)，據此，為換取季度服務費，北京聯眾同意委聘外商獨資企業1擔任其以下服務的獨家供應商：

- 並非在其正常業務範圍內的任何活動，或以與其過去做法不一致的方式經營其業務；
- 提供技術開發及轉讓以及技術諮詢服務；
- 提供在職及入職前員工培訓服務；
- 提供公共關係服務；
- 提供市場調查、研究及諮詢服務；
- 提供中期或短期市場開發及市場規劃服務；
- 提供人力資源管理及內部信息管理；
- 提供網絡開發、升級及日常維護；
- 提供自主生產產品的銷售服務；
- 軟件授權；
- 提供與電腦軟件及硬件系統、數據庫及電腦伺服器有關的維護服務；
- 提供與網絡遊戲有關的維護及升級服務；

- providing training services in respect of online game technology and operations;
- providing research and development services in respect of online game software and maintenance of the system;
- selling and authorising Beijing Lianzhong to license software; and
- other services determined from time to time by the WFOE 1 according to the need of business and capacity of the WFOE 1 and its designated affiliates.

- 提供與網絡遊戲技術及經營有關的培訓服務;
- 提供與網絡遊戲軟件及系統維護有關的研發服務;
- 向北京聯眾銷售及授權許可軟件;及
- 外商獨資企業1根據外商獨資企業1及其指定聯屬人士的業務需求及能力不時釐定的其他服務。

Under the Master Exclusive Service Agreement 1, the service fee is equal to 100% of the consolidated net profits of Beijing Lianzhong. The WFOE 1 may adjust the service fee at its sole discretion with reference to the working capital requirements of Beijing Lianzhong and in accordance with several factors relating to the services provided, including (i) technical difficulty and complexity of the services; (ii) time spent in providing the services; (iii) contents and commercial value of the services; and (iv) the benchmark price of similar services in the market. Since Beijing Lianzhong's funding requirements are satisfied by their residual operating cash after paying the service fee to the WFOE 1, we do not expect to transfer any net proceeds from the Global Offering to Beijing Lianzhong.

根據獨家服務總協議1,服務費相等於北京聯眾綜合淨利潤的100%。外商獨資企業1可參照北京聯眾的營運資本需求並根據與所提供服務有關的幾項因素全權調整服務費,包括(i)服務的技術難度及複雜性;(ii)提供服務時所用的時間;(iii)服務的內容及商業價值;及(iv)市場中類似服務的基準價格。由於向外商獨資企業1支付服務費之後北京聯眾的資金需求由其剩餘營運現金撥付,我們預計不會向北京聯眾轉讓來自全球發售的任何所得款項淨額。

Intellectual property rights are developed during the normal course of business of Beijing Lianzhong since its daily operations involve, among other things, research and development and game development. Pursuant to the Master Exclusive Service Agreement 1, any intellectual properties developed by performance of the Master Exclusive Service Agreement 1, including but not limited to copyrights, trademarks, patents, technical secrets and knowhow, belong to the WFOE 1. If a development is based on the intellectual properties owned by Beijing Lianzhong, Beijing Lianzhong shall warrant and guarantee that such intellectual properties are flawless and it shall bear all damages and losses caused to the WFOE 1 by any flaw of such intellectual properties. The WFOE 1 has the right to recover all of its losses from Beijing Lianzhong for liabilities to any third party.

由於北京聯眾的日常業務涉及(其中包括)研發及遊戲開發,因此知識產權於其正常業務過程中產生。根據獨家服務總協議1,透過履行獨家服務總協議1所產生的任何知識產權(包括但不限於版權、商標、專利、技術機密及訣竅)均屬於外商獨資企業1。倘開發乃基於北京聯眾所擁有的知識產權,則北京聯眾須保證及擔保有關知識產權乃屬無瑕疵且其須承擔有關知識產權的任何瑕疵為外商獨資企業1帶來的所有損害及損失。外商獨資企業1有權就北京聯眾對任何第三方的負債彌補其所有損失。

The Master Exclusive Service Agreement 1 can be terminated by the WFOE 1 at any time upon 30 days' written notice to Beijing Lianzhong. The Master Exclusive Service Agreement 1 shall also be terminated upon the transfer of all the shares of Beijing Lianzhong to the WFOE 1 and/or a third party designated by the WFOE 1 pursuant to the Exclusive Option Agreement 1.

獨家服務總協議1可由外商獨資企業1於向北京聯眾發出三十天書面通知後的任何時間予以終止。獨家服務總協議1亦須於根據獨家購股權協議1向外商獨資企業1及/或外商獨資企業1指定的第三方轉讓北京聯眾所有股份後終止。

Business Cooperation Agreement 1

Beijing Lianzhong, its shareholders and the WFOE 1 entered into a business cooperation agreement on 28 January 2014 (the "**Business Cooperation Agreement 1**"). Under the Business Cooperation Agreement 1, Beijing Lianzhong and its shareholders, jointly and severally, agree and covenant that, without obtaining the written consent of the WFOE 1, Beijing Lianzhong shall not, and Beijing Lianzhong's shareholders shall cause Beijing Lianzhong not to, engage in any transaction which may materially affect its asset, obligation, right or operation, including without limitation:

- any activities not within its normal business scope, or operating its business in a way that is inconsistent with its past practice;
- merger, reorganization, acquisition or restructuring of its principal business or assets, or acquisition or investment in any other form;
- offering any loan to any third party, incurring any debt from any third party, or assuming any debt other than in the ordinary course of business;
- engaging, changing or dismissing any director or any senior management officer;
- selling to or acquiring from any third party, mortgaging, licensing or disposing of in other ways tangible or intangible assets, other than in the ordinary course of business;
- incurring, inheriting, assuming or guaranteeing any debt that are not incurred during the ordinary course of business, using its assets to provide security or other forms of guarantees to any third party, or setting up any other encumbrances over its assets;
- making any supplement, amendment or alternation to its articles of association and by-laws, increasing or decreasing of its registered capital or changing the structure of its registered capital in other manners;
- making a distribution of a dividend, or share interest or sponsorship interest in any way, provided that upon the written request of the WFOE 1, Beijing Lianzhong shall immediately distribute part or all of its distributable profits to its shareholder(s) who shall in turn immediately and unconditionally pay or transfer to the WFOE 1 any such distribution;

業務合作協議1

北京聯眾、其股東及外商獨資企業1於二零一四年一月二十八日訂立業務合作協議(「**業務合作協議1**」)。根據業務合作協議1,北京聯眾及其股東共同及個別同意並契諾,未獲得外商獨資企業1書面同意,北京聯眾不可且北京聯眾的股東須促使北京聯眾不參與可能對其資產、義務、權利或經營造成重大影響的任何交易,包括但不限於:

- 並非在其正常業務範圍內的任何活動,或以與其過往做法不一致的方式經營其業務;
- 其主營業務或資產的合併、整合、收購或重組,或任何其他形式的收購或投資;
- 於正常業務過程以外,向任何第三方提供任何貸款,引致來自任何第三方的任何債務或承擔任何債務;
- 委聘、變更或解僱任何董事或任何高級管理人員;
- 除於正常業務過程以外,向任何第三方出售或收購、抵押、許可或以其他方式處置有形或無形資產;
- 引致、繼承、承擔或擔保並非於正常業務過程中引致的任何債務,使用其資產向任何第三方提供抵押品或其他形式的擔保或對其資產設置任何其他產權負擔;
- 對其組織章程細則及附則作出任何補充、修訂或變更,增加或減少其註冊資本或以其他方式改變其註冊資本的架構;
- 以任何方式作出股息或股份權益或發起權益的分派,惟前提條件為於外商獨資企業1發出書面請求後,北京聯眾須立即向其股東分派其部分或全部可分派利潤,股東轉而應立即及無條件地向外商獨資企業1支付或轉讓任何有關分派;

- executing any material contract, except contracts executed in the ordinary course of business (for purpose of this subsection, the WFOE 1 may define a material contract at its sole discretion);
- selling, transferring, mortgaging or disposing of in any manner any legal or beneficial interest in its business or revenues, or allowing the encumbrance thereon of any security interest;
- a dissolution or a liquidation and distribution of residual assets; or
- causing any of its branches or subsidiaries to engage in any of the foregoing or enter into any contract, agreement or other legal documents which may lead to or result in any of the foregoing.

- 除於正常業務過程中簽署的合約外，簽署任何重大合約(就此分節而言，為外商獨資企業1可全權界定的重大合約)；
- 以任何方式出售、轉讓、抵押或處置其業務或收入的任何法定或實益權益，或認可任何抵押權益有關的產權負擔；
- 解散或清算及分派剩餘資產；或
- 促使其任何分公司或附屬公司從事任何前述交易或訂立任何合約、協議或可能致使或導致任何前述交易的其他法律文件。

In addition, Beijing Lianzhong agreed and covenanted to the WFOE 1 that Beijing Lianzhong shall, and the shareholders shall cause Beijing Lianzhong to:

此外，北京聯眾同意並向外商獨資企業1契諾，北京聯眾應且股東應促使北京聯眾：

- accept suggestions raised by the WFOE 1 over the engagement and replacement of employees, daily operations, dividend distribution and financial management systems of Beijing Lianzhong, and Beijing Lianzhong shall strictly abide by and perform accordingly;
- maintain Beijing Lianzhong's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;
- conduct Beijing Lianzhong's businesses in the ordinary course of business to maintain the asset value of Beijing Lianzhong and refrain from any act or omission that may adversely affect Beijing Lianzhong's operating status and asset value;
- provide the WFOE 1 with information on Beijing Lianzhong's business operations and financial condition at the request of the WFOE 1;
- if requested by the WFOE 1, procure and maintain insurance in respect of Beijing Lianzhong's assets and business from an insurance carrier acceptable to the WFOE 1, at an amount and type of coverage typical for companies that operate similar businesses;

- 接受外商獨資企業1對以下事項提出的建議：北京聯眾僱員的委聘及更換、日常經營、股息分派及財務管理系統，且北京聯眾須相應地嚴格遵守並履行；
- 透過審慎及有效地經營其業務及處理其事務，根據良好的財務及業務標準及慣常做法維持北京聯眾的企業存續；
- 於正常業務過程中開展北京聯眾的業務以保持北京聯眾的資產價值並避免可能對北京聯眾的經營狀況及資產價值造成不利影響的任何作為或疏忽；
- 於外商獨資企業1提出要求時向外商獨資企業1提供與北京聯眾業務經營及財務狀況有關的資料；
- 倘外商獨資企業1提出要求，則按經營類似業務的公司典型的保險金額及類型，就北京聯眾的資產及業務購買及維持外商獨資企業1可接受的承保人的保險；

- immediately notify the WFOE 1 of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Beijing Lianzhong's assets, business or revenue; and

- execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims so as to maintain the ownership by Beijing Lianzhong of all of its assets.

According to the Business Cooperation Agreement 1, the shareholders of Beijing Lianzhong shall only appoint persons designated by the WFOE 1 as directors, the general manager, the chief financial officer and other senior management members of Beijing Lianzhong, and the shareholders shall dismiss any such directors or senior management members upon the request of the WFOE 1. Beijing Lianzhong and its shareholders also jointly and severally covenanted that Beijing Lianzhong shall seek appropriate approval from the WFOE 1 prior to entering into any material contract.

Furthermore, the shareholders agree that, unless required by the WFOE 1, they shall not put forward, or vote in favour of, any shareholders' resolution to, or otherwise request Beijing Lianzhong to, distribute profits, funds, assets or property to the shareholders, or to issue any dividends or other distributions with respect to the shares of Beijing Lianzhong held by the shareholders.

The Business Cooperation Agreement 1 shall remain effective as long as Beijing Lianzhong exists, unless the WFOE 1 terminates it upon 30 days' advance written notice or upon the transfer of all the shares held by Beijing Lianzhong's shareholders to the WFOE 1 and/or a third party designated by the WFOE 1.

Exclusive Option Agreement 1

Beijing Lianzhong and its shareholders entered into an exclusive option agreement with the WFOE 1 on 28 January 2014 (the "**Exclusive Option Agreement 1**"), pursuant to which the WFOE 1 has a right to require the respective shareholders to transfer any or all the shares of Beijing Lianzhong they hold to the WFOE 1 and/or a third party designated by it, in whole or in part at any time and from time to time, at the lowest price allowable under PRC laws and administration regulations at the time of transfer.

- 立即通知外商獨資企業1發生或可能發生與北京聯眾的資產、業務或收入有關的任何訴訟、仲裁或行政程序;及

- 簽署所有必要或適當的文件、採取所有必要或適當的行動以及提出所有必要或適當的投訴或對所有申索提出必要及適當的抗辯,以便保持北京聯眾對其所有資產的所有權。

根據業務合作協議1,北京聯眾的股東僅可委任外商獨資企業1指定的人士擔任北京聯眾的董事、總經理、首席財務官及其他高級管理層成員,且股東須於外商獨資企業1提出要求後解僱任何有關董事或高級管理層成員。北京聯眾及其股東亦共同及個別契諾,北京聯眾須於訂立任何重大合約之前尋求外商獨資企業1的適當批准。

此外,股東同意,除非外商獨資企業1要求,彼等不可提出或投票贊成任何股東決議案或以其他方式要求北京聯眾向股東分派利潤、資金、資產或物業或就股東持有的北京聯眾股份發放任何股息或其他分派。

除非外商獨資企業1於發出三十天事先書面通知後或向外商獨資企業1及/或外商獨資企業1指定的第三方轉讓北京聯眾股東持有的所有股份後終止業務合作協議1,否則只要北京聯眾繼續存在,業務合作協議1應持續有效。

獨家購股權協議1

北京聯眾及其股東與外商獨資企業1於二零一四年一月二十八日訂立獨家購股權協議(「**獨家購股權協議1**」),據此,外商獨資企業1有權要求各自的股東於任何時候及不時按中國法律及行政法規於轉讓時許可的最低價格向外商獨資企業1及/或其指定的第三方全部或部分轉讓其持有的任何或所有北京聯眾股份。

The Exclusive Option Agreement 1 shall remain effective as long as Beijing Lianzhong exists, and cannot be terminated by either Beijing Lianzhong or its shareholders. The Exclusive Option Agreement 1 can be terminated (i) by the WFOE 1 at any time upon 30 days' advance written notice to Beijing Lianzhong and its shareholders; or (ii) upon the transfer of all the shares held by the shareholders to the WFOE 1 and/or a third party designated by the WFOE 1.

只要北京聯眾繼續存在，獨家購股權協議1應持續有效，且不可由北京聯眾或其股東予以終止。獨家購股權協議1可以以下方式予以終止：(i)於向北京聯眾及其股東發出三十天事先書面通知後的任何時候由外商獨資企業1予以終止；或(ii)於向外商獨資企業1及╱或外商獨資企業1指定的第三方轉讓股東持有的所有股份後予以終止。

Beijing Lianzhong and its shareholders, among other things, have covenanted that:

北京聯眾及其股東(其中包括)已契諾：

- without the prior written consent of the WFOE 1, they shall not in any manner supplement, change or amend the articles of association and bylaws of Beijing Lianzhong, increase or decrease its registered capital, or change the structure of its registered capital in other manners;

- 未經外商獨資企業1事先書面同意，彼等不可以任何方式補充、變更或修訂北京聯眾的組織章程細則及附則、增加或減少其註冊資本或以其他方式改變其註冊資本的架構；

- they shall maintain Beijing Lianzhong's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;

- 彼等須審慎及有效地經營其業務及處理其事務，根據良好的財務及業務標準及做法維持北京聯眾的企業存續；

- without the prior written consent of the WFOE 1, they shall not sell, transfer, mortgage or dispose of in any manner any assets of Beijing Lianzhong (except in the ordinary course of business), or legal or beneficial interest in the business or revenues of Beijing Lianzhong, or allow the encumbrance thereon of any security interest;

- 未經外商獨資企業1事先書面同意，彼等不可以任何方式出售、轉讓、抵押或處置北京聯眾的任何資產(於正常業務過程中則除外)或北京聯眾的業務或收入的法定或實益權益或認可任何抵押權益上的產權負擔；

- without the prior written consent of the WFOE 1, they shall not incur, inherit, guarantee or assume any debt, except for debts incurred in the ordinary course of business;

- 未經外商獨資企業1事先書面同意，彼等不可引致、繼承、擔保或承擔任何債務(於正常業務過程中所引致的債務則除外)；

- they shall always operate all of Beijing Lianzhong's businesses during the ordinary course of business to maintain the asset value of Beijing Lianzhong and refrain from any action/omission that may adversely affect Beijing Lianzhong's operating status and asset value;

- 彼等應始終於正常業務過程中經營北京聯眾的所有業務以保持北京聯眾的資產價值並避免可能對北京聯眾的經營狀況及資產價值造成不利影響的任何作為╱疏忽；

- without the prior written consent of the WFOE 1, they shall not cause Beijing Lianzhong to execute any material contract (as defined by the WFOE 1 at its sole discretion), except the contracts executed in the ordinary course of business;

- 除於正常業務過程中簽署的合約以外，未經外商獨資企業1事先書面同意，彼等不可促使北京聯眾簽署任何重大合約(由外商獨資企業1全權界定)；

- without the prior written consent of the WFOE 1, they shall not cause Beijing Lianzhong to provide any person with any loan or credit other than in the course of ordinary business;
- they shall provide the WFOE 1 with information on Beijing Lianzhong's business operations and financial condition at the request of the WFOE 1;
- if requested by the WFOE 1, they shall procure and maintain insurance in respect of Beijing Lianzhong's assets and business from an insurance carrier acceptable to the WFOE 1, at an amount and type of coverage typical for companies that operate similar businesses;
- without the prior written consent of the WFOE 1, they shall not cause or permit Beijing Lianzhong to merge, consolidate with, acquire or invest in any person;
- they shall immediately notify the WFOE 1 of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Beijing Lianzhong's assets, business or revenue;
- to maintain the ownership by Beijing Lianzhong of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims;
- they shall ensure that Beijing Lianzhong shall not, without the prior written consent of the WFOE 1, in any manner distribute dividends to its shareholder(s), provided that upon the written request of the WFOE 1, Beijing Lianzhong shall immediately distribute part or all of its distributable profits to its shareholder(s) who shall in turn immediately and unconditionally pay or transfer to the WFOE 1 any such distribution;
- at the request of the WFOE 1, they shall appoint any persons designated by the WFOE 1 as the directors and/or executive directors of Beijing Lianzhong;

- 除於正常業務過程中以外，未經外商獨資企業1事先書面同意，彼等不可促使北京聯眾向任何人士提供任何貸款或信貸；
- 於外商獨資企業1提出要求時，彼等須向外商獨資企業1提供與北京聯眾的業務經營及財務狀況有關的資料；
- 倘外商獨資企業1提出要求，則彼等須按經營類似業務的公司典型的保險金額及類型，就北京聯眾的資產及業務購買及維持來自外商獨資企業1可接受的承保人的保險；
- 未經外商獨資企業1事先書面同意，彼等不可促使或允許北京聯眾合併、與之整合、收購或投資於任何人士；
- 彼等須立即通知外商獨資企業1發生或可能發生與北京聯眾的資產、業務或收入有關的任何訴訟、仲裁或行政訴訟；
- 為保持北京聯眾對其所有資產的所有權，彼等須簽署所有必要或適當的文件、採取所有必要或適當的行動以及提出所有必要或適當的投訴或對所有申索提出必要及適當的抗辯；
- 彼等須確保，未經外商獨資企業1事先書面同意，北京聯眾不可以任何方式向其股東分派股息，惟前提條件為於外商獨資企業1發出書面要求後，北京聯眾須立即向其股東分派其部分或全部可分派利潤，股東轉而應立即及無條件地向外商獨資企業1支付或轉讓任何有關分派；
- 於外商獨資企業1提出要求時，彼等須委任外商獨資企業1指定的任何人士擔任北京聯眾的董事及／或執行董事；

- they shall cause the meeting of shareholders and the board of directors of Beijing Lianzhong to pass shareholders' resolutions and board resolutions in accordance with the instruction of the WFOE 1; and

- unless otherwise mandatorily required by PRC laws, Beijing Lianzhong shall not be dissolved or liquidated without prior written consent by the WFOE 1.

Share Pledge Agreement 1

The shareholders of Beijing Lianzhong and the WFOE 1 entered into a share pledge agreement on 28 January 2014 (the "**Share Pledge Agreement 1**"). Under the Share Pledge Agreement 1, the shareholders of Beijing Lianzhong unconditionally and irrevocably pledged all of the shares of Beijing Lianzhong that they own, including any interest or dividend paid for such shares, to the WFOE 1 as a security for the performance of the obligations by Beijing Lianzhong and its shareholders under the Master Exclusive Service Agreement 1, the Business Cooperation Agreement 1, the Exclusive Option Agreement 1 and other agreements to be executed among Beijing Lianzhong, its shareholders and the WFOE 1 from time to time (collectively the "**Principal Agreements 1**").

The pledge shall remain valid until all parties have agreed to terminate the Share Pledge Agreement 1, the Principal Agreements 1 have been fulfilled to the satisfaction of the WFOE 1 or all of the Principal Agreements 1 have expired or been terminated.

Upon the occurrence and during the continuance of an event of default (as defined in the Share Pledge Agreement 1), the WFOE 1 shall have the right to require Beijing Lianzhong's shareholders to immediately pay any amount payable by Beijing Lianzhong under the Master Exclusive Service Agreement 1, repay any loans and pay any other due payments, and the WFOE 1 shall have the right to exercise all such rights as a secured party under any applicable PRC law, including without limitations, (i) to sell all or any part of the pledged shares at one or more public or private sales upon three days' written notice to the pledgor, and (ii) to execute an agreement with Beijing Lianzhong's shareholders to acquire the pledged shares based on their monetary value which shall be determined by referencing the their market price.

- 彼等須促使北京聯眾的股東大會及董事會根據外商獨資企業1的指示通過股東決議案及董事會決議案;及

- 除非中國法律另行強制性要求,否則未經外商獨資企業1事先書面同意,不可解散或清算北京聯眾。

股份質押協議1

北京聯眾的股東與外商獨資企業1於二零一四年一月二十八日訂立股份質押協議(「**股份質押協議1**」)。根據股份質押協議1,北京聯眾的股東無條件及不可撤銷地向外商獨資企業1抵押其擁有北京聯眾的所有股份(包括就有關股份支付的任何利息或股息),作為北京聯眾及其股東履行其於獨家服務總協議1、業務合作協議1、獨家購股權協議1及北京聯眾、其股東與外商獨資企業1之間不時簽署的其他協議(統稱「**主要協議1**」)項下義務的質押品。

抵押應持續有效,直至各方已同意終止股份質押協議1、主要協議1的履行令外商獨資企業1滿意或所有主要協議1已屆滿或已終止。

於發生違約事件(定義見股份質押協議1)後及於違約事件持續發生期間,外商獨資企業1應有權要求北京聯眾的股東立即支付北京聯眾根據獨家服務總協議1應付的任何款項、償還任何貸款並支付任何其他到期付款,且外商獨資企業1應有權作為被擔保方根據任何適用的中國法律行使所有有關權利,包括但不限於:(i)於向抵押人發出三天的書面通知後在一次或多次公開或私人出售時出售全部或任何抵押部分,及(ii)與北京聯眾的股東簽署一份協議根據其貨幣價值(應參照其市場價格予以釐定)收購抵押股份。

Proxy Agreement 1 and Power of Attorney 1

Beijing Lianzhong, each of its shareholders and the WFOE 1 entered into a proxy agreement and power of attorney on 28 January 2014 (the "**Proxy Agreement 1 and Power of Attorney 1**"). Under the Proxy Agreement 1 and Power of Attorney 1, each shareholder irrevocably appointed the WFOE 1 (as well as its successors, including a liquidator, if any, replacing the WFOE 1) as its attorney-in-fact to exercise on its behalf, and agreed and undertook not to exercise without such attorney-in-fact's prior written consent, any and all right that it has in respect of its shares in Beijing Lianzhong, including without limitation:

- to call and attend shareholders' meetings of Beijing Lianzhong, and receive notices and materials with respect to the shareholders' meeting;
- to execute and deliver any and all written resolutions and meeting minutes in the name and on behalf of such shareholder;
- to vote by itself or by proxy on any matters discussed on shareholders' meetings of Beijing Lianzhong, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of Beijing Lianzhong;
- to sell, transfer, pledge or dispose of any or all of the shares in Beijing Lianzhong;
- to nominate, appoint or remove the directors, supervisors and senior management of Beijing Lianzhong when necessary;
- to oversee the economic performance of Beijing Lianzhong;
- to have full access to the financial information of Beijing Lianzhong at any time;
- to file any shareholder lawsuits or take other legal actions against Beijing Lianzhong's directors or senior management members when such directors or members are acting to the detriment of the interest of Beijing Lianzhong or its shareholder(s);
- to approve annual budgets or declare dividends;
- to manage and dispose of the assets of Beijing Lianzhong;

委託協議1及授權委託書1

北京聯眾、其各位股東與外商獨資企業1於二零一四年一月二十八日訂立委託協議及授權委託書(「**委託協議1及授權委託書1**」)。根據委託協議1及授權委託書1,各股東不可撤銷地委任外商獨資企業1(以及取代外商獨資企業1的繼承者,包括清算人(如有))擔任其實際代理人以代表其行使並同意及承諾不會在未經有關實際代理人事先書面同意的情況下行使其與北京聯眾股份有關的任何及所有權利,包括但不限於:

- 召開及出席北京聯眾的股東大會、收取與股東大會有關的通知及材料;
- 以有關股東的名義並代表有關股東簽立及交付任何及所有書面決議案及會議紀要;
- 由其自身或由代理人對就北京聯眾股東大會討論的任何事項進行投票,包括但不限於出售、轉讓、抵押、質押或處置北京聯眾的任何或所有資產;
- 出售、轉讓、抵押或處置北京聯眾的任何或所有股份;
- 於必要時提名、委任或罷免北京聯眾的董事、監事及高級管理層;
- 監督北京聯眾的經濟效益;
- 於任何時候對北京聯眾的財務資料擁有完全使用權;
- 當北京聯眾的董事或高級管理層成員的行為損害北京聯眾或其股東權益時,對有關董事或成員提出任何股東訴訟或採取其他法律行動;
- 批准年度預算或宣派股息;
- 管理及處置北京聯眾的資產;

- have the full rights to control and manage Beijing Lianzhong's finance, accounting and daily operation (including but not limited to signing and execution of contracts and payment of government taxes and duties);
- to approve the filing of any documents with the relevant governmental authorities or regulatory bodies; and any other rights conferred by the articles of association of Beijing Lianzhong and/or the relevant laws and regulations on the shareholders.

In addition, if any share transfer is contemplated under the Exclusive Option Agreement 1 and the Share Pledge Agreement 1 that Beijing Lianzhong's shareholders enter into for the benefits of the WFOE 1 or its affiliate, the WFOE 1 shall have the right to sign the share transfer agreement and other relevant agreements and to perform the Exclusive Option Agreement 1 and the Share Pledge Agreement 1.

The Proxy Agreement 1 and Power of Attorney 1 shall remain effective as long as Beijing Lianzhong exists. Beijing Lianzhong's shareholders shall not have the right to terminate the Proxy Agreement 1 and Power of Attorney 1 or to revoke the appointment of the attorney-in-fact without the prior written consent of the WFOE 1.

Save as disclosed above, there were no new contractual arrangements entered into, renewed or reproduced among Beijing Lianzhong and its shareholders, and the WFOE 1 during the year ended 31 December 2018. There was no material change in the Contractual Arrangements 1 and/or the circumstances under which they were adopted for the year ended 31 December 2018.

For the year ended 31 December 2018, none of the Contractual Arrangements 1 has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements 1 has been removed.

- 擁有完全控制及管理北京聯眾財務、會計及日常運營的權利(包括但不限於簽署及執行合約以及繳納政府稅項及關稅);
- 批准任何文件於相關政府主管部門或監管機構備案;及北京聯眾的組織章程細則及/或與股東有關的相關法律法規賦予的任何其他權利。

此外,倘擬根據北京聯眾的股東為外商獨資企業1或其聯屬人士的利益訂立的獨家購股權協議1及股份質押協議1進行任何股份轉讓,則外商獨資企業1應有權簽署股份轉讓協議及其他相關協議並履行獨家購股權協議1及股份質押協議1。

只要北京聯眾繼續存在,委託協議1及授權委託書1應持續有效。未經外商獨資企業1事先書面同意,北京聯眾的股東無權終止委託協議1及授權委託書1或撤銷實際代理人的委任。

除上文所披露者外,於截至二零一八年十二月三十一日止年度,北京聯眾及其股東與外商獨資企業1並無訂立、更新或重新訂立新合約安排。截至二零一八年十二月三十一日止年度,合約安排1及/或其採納的情況並無重大改變。

截至二零一八年十二月三十一日止年度,由於引致採納合約安排1項下的結構化合約限制並無移除,因此並無合約安排1已解除。

Revenue and Assets subject to the Contractual Arrangements 1

The revenue, profit for the year and total assets subject to the Contractual Arrangements 1 are set out as follows:

合約安排1項下的收入及資產

合約安排1項下的年內收入、利潤及總資產載列如下：

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度 RMB'000 人民幣千元	Year ended 31 December 2017 截至二零一七年十二月三十一日止年度 RMB'000 人民幣千元	Year ended 31 December 2016 截至二零一六年十二月三十一日止年度 RMB'000 人民幣千元
Revenue	收入	**128,944**	523,330	747,481
(Loss)/Profit for the year	年內(虧損)／利潤	**(303,316)**	98,431	167,849

		As at 31 December 2018 於二零一八年十二月三十一日 RMB'000 人民幣千元	As at 31 December 2017 於二零一七年十二月三十一日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年十二月三十一日 RMB'000 人民幣千元
Total assets	總資產	**619,592**	841,217	899,640

For the year ended 31 December 2018, the revenue and (loss)/profit for the year subject to the Contractual Arrangements 1 amounted to approximately 37.6% (2017: 84.8%, 2016: 85.8%) and 43.5% (2017: –229.1%, 2016: 120.4%) of the revenue and loss for the year of the Group respectively.

截至二零一八年十二月三十一日止年度，合約安排1項下的年內收入及(虧損)／利潤分別佔本集團年內收入及虧損約37.6%(二零一七年：84.8%，二零一六年：85.8%)及43.5%(二零一七年：–229.1%，二零一六年：120.4%)。

As at 31 December 2018, the total assets subject to the Contractual Arrangements 1 amounted to approximately 48.9% (2017: 52.0%, 2016: 63.0%) of the total assets of the Group.

於二零一八年十二月三十一日，合約安排1項下的總資產佔本集團總資產的約48.9%(二零一七年：52.0%，二零一六年：63.0%)。

In the opinion of our PRC legal advisor King & Wood Mallesons ("**PRC Legal Advisor**") dated 26 January 2016, the Contractual Arrangements 1 are valid, binding and are in compliance with and enforceable under the applicable PRC laws and regulations, except that the Contractual Arrangements 1 provide that the arbitral tribunal or the arbitrators may award remedies over the shares or land assets of Beijing Lianzhong, relief or winding up of Beijing Lianzhong, and that courts of competent jurisdictions are empowered to grant interim injunctive relief or other interim relief in support of the arbitration when formation of the arbitral tribunal is pending or under appropriate circumstances, while under PRC laws, an arbitral tribunal or the arbitrators has no power to grant injunctive relief or provisional or final liquidation order to preserve the assets or any shares of Beijing Lianzhong in case of dispute.

VIE Structure 2

On 9 February 2017, the Board announced that the Group was conducting a series of reorganization steps that involve, among other things, (i) the Group establishing a new VIE structure by entering into new VIE agreements (collectively, the Master Exclusive Service Agreement 2, the Business Cooperation Agreement 2, the Proxy Agreement 2 and Power of Attorney 2, and the Exclusive Option Agreement 2 and the Share Pledge Agreement 2) (the"Contractual Arrangements 2") among Tianjin Lianhzhong Lequ Technology Development Co., Ltd. (the "**WFOE 2**") and Beijing Guangyao Hudong Technology Development Co., Ltd. ("**Beijing Guangyao**"), a limited liability company established in the PRC which is owned as to 100% by Mr. Liang Jie, and (ii) Beijing Lianzhong entering into asset transfer agreements with Beijing Guangyao, pursuant to which Beijing Lianzhong would transfer certain assets relating to the eSports, sports e-commerce business and other non-card-and-board games new internet businesses of the Group ("**eSports Business**") to Beijing Guangyao. Beijing Guangyao will principally be engaged in the eSports Business. Please refer to the announcement of the Company dated 9 February 2017 for further details.

On 31 May 2018, Mr. Liang Jie (the "**Registered Owner**") and Mr. Ping Yan (the "**Nominee Shareholder**") entered into a share transfer agreement, pursuant to which Mr. Liang Jie transferred 1% of the shares of Beijing Guangyao to Mr. Ping Yan (the "**Share Transfer**"). Upon closing of the Share Transfer, Mr. Liang Jie and Mr. Ping Yan are the nominee shareholders of Beijing Guangyao holding its equity interest as to 99% and 1%, respectively. The Group has thus established the New VIE Structure due to the addition of Mr. Ping Yan to Beijing Guangyao by entering into the New VIE Agreements with the Nominee Shareholder, the Registered Owner and/or Beijing Guangyao. Please refer to the announcement of the Company dated 31 May 2018 for further details.

根據我們中國法律顧問金杜律師事務所(「**中國法律顧問**」)於二零一六年一月二十六日發表的意見,合約安排1屬有效、具約束力及遵守適用的中國法律及法規且可強制執行,惟合約安排1規定仲裁庭或仲裁員可對北京聯眾的股份或土地資產授予補救措施、可解散或清盤北京聯眾,且有關司法權區的主管法院有權在成立仲裁庭之前或在適當時候授出臨時禁制令補救措施或其他臨時補救措施以支持仲裁,根據中國法律,在產生糾紛的情況下,仲裁庭或仲裁員無權授出禁制令補救措施或臨時或最終清盤令以保留北京聯眾的資產或任何股份。

可變權益實體架構2

於二零一七年二月九日,董事會宣佈本集團正進行一系列的重組措施,其中包括,(i)本集團通過天津聯眾樂趣科技發展有限公司(「**外商獨資企業2**」)、北京光曜互動科技發展有限公司(「**北京光曜**」,一家由梁傑先生擁有全部權益的於中國成立的有限公司)訂立的新可變權益實體協議(獨家服務總協議2、業務合作協議2、委託協議2及授權委託書2、獨家購股權協議2及股份質押協議2的統稱)(「**合約安排2**」)以建立新可變權益實體架構,及(ii)北京聯眾與北京光曜訂立資產轉讓協議,據此,北京聯眾將有關本集團電子競技、體育電商業務以及其他非棋牌遊戲等新網絡業務(「**電子競技業務**」)的若干資產轉讓予北京光曜。北京光曜將主要從事電子競技業務。有關進一步詳情請參閱本公司日期為二零一七年二月九日的公告。

於二零一八年五月三十一日,梁傑先生(「**登記持有人**」)及平岩先生(「**代名人股東**」)已訂立股份轉讓協議,據此梁傑先生已轉讓北京光曜的1%股份予平岩先生(「**股份轉讓**」)。於股份轉讓完成後,梁傑先生及平岩先生分別持有北京光曜的99%及1%股權。因此,本集團透過與代名人股東、登記持有人及/或北京光曜訂立新權益實體協議,就北京光曜新增平岩先生成立新可變權益實體架構。有關進一步詳情請參閱本公司日期為二零一八年五月三十一日的公告。

After the signing of the Contractual Arrangements 2, the financial results of Beijing Guangyao is accounted for and consolidated in the accounts of the Group. Beijing Guangyao is therefore accounted for as if it is a wholly-owned subsidiary of the Company ("**VIE Structure 2**"). The Registered Owner, as the sole shareholder of Beijing Guangyao, becomes a connected person of the Company under Chapter 14A of the Listing Rules. As Beijing Guangyao is wholly-owned by the Registered Owner, Beijing Guangyao becomes an associate of the Registered Owner and is a connected person of the Company. Accordingly, the Contractual Arrangements 2 constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Reasons for the Contractual Arrangements 2

Since the Listing, the Group's business has grown at a significant pace and the Group's product offerings have significantly expanded. The Group has evolved from a pure integrated online card and board game platform, offering both PC games and mobile games to a global mind sports business offering online and offline products in the PRC and worldwide. The Group now holds various investments in mind sports across an array of platforms including PC, mobile and real life tournaments. The VIE Structure 2 separates the Group's eSports business from the online games business. The VIE Structure 1 will remain in place for the Group's management of its online games business.

As disclosed in the Prospectus, due to applicable laws and regulatory restrictions on foreign ownership in the telecommunications industry (including online games, eSports and other internet related businesses) in the PRC and restrictions on foreign investors conducting value-added telecommunications services, the Group operates its businesses, including the Group's expanded eSports business, in the PRC through Beijing Lianzhong, and the Group has in place a series of contractual arrangements with Beijing Lianzhong that are designed to allow the Company to exercise control over the operations of Beijing Lianzhong and enjoy the economic benefits generated by Beijing Lianzhong. Please refer to the section headed "Contractual Arrangements" of the Prospectus for the detailed reasons as to why our businesses are required to be carried out by way of contractual arrangements from a perspective of compliance with PRC laws.

簽署合約安排2後，北京光曜的財務業績入賬並合併至本集團賬目。因此，北京光曜按猶如本公司的全資附屬公司(「**可變權益實體架構2**」)方式入賬。根據上市規則第14A章，登記持有人(作為北京光曜的唯一股東)將成為本公司的關連人士。由於北京光曜由登記持有人全資擁有，北京光曜成為登記持有人的聯繫人並為本公司的關連人士。因此，合約安排2構成上市規則第14A章項下本公司的持續關連交易。

使用合約安排2的理由

自上市以來，本集團的業務顯著增長且本集團的產品供應大力擴展。本集團從一個單純提供PC遊戲和移動遊戲的綜合在線棋牌遊戲平台，發展為在中國及全球提供在線及線下產品的全球智力運動業務。當前，本集團於智力運動行業持有多種投資，涵蓋一系列平台，包括PC端、移動端及真實賽事。可變權益實體架構2將本集團的電子競技業務從網絡遊戲業務區分開來。可變權益實體架構1將仍用於本集團管理其網絡遊戲業務。

誠如招股章程所披露，由於適用法律及規例限制電信行業(包括網絡遊戲、電子競技及其他互聯網有關的業務)的外資擁有權及限制外國投資者進行增值電信服務，本集團在中國通過北京聯眾經營其業務，包括本集團擴大的電競業務，且本集團與北京聯眾訂立一系列合約安排，旨在允許本公司對北京聯眾的經營實施控制並享有北京聯眾產生的經濟收益。有關業務須從遵守中國法律的角度以合約安排方式實施的詳細原因，請參閱招股章程「合約安排」一節。

The Group's eSports business and the Group's traditional online card and board games business (the "**Online Games Business**") are very different and at different stages of maturity, requiring different strategies, resources and management personnel. The VIE Structure 2 will allow the Group to better manage the eSports Business and the Online Games Business. Each of Beijing Lianzhong and Beijing Guangyao will have different profit and loss focuses, and the Group will have in place separate management personnel that are suitable to the respective business. Having separate entities operating the respective business will also allow the Group to more easily set appropriate key performance indicators for the respective businesses, management and employees, and for the Group to devise incentives and remunerations that are appropriate in each case.

本集團電子競技業務與本集團的傳統網絡棋牌遊戲業務(「**網絡遊戲業務**」)不盡相同且處於不同的成熟階段,需要不同的策略、資源及管理人員。可變權益實體架構2將允許本集團更好地管理電子競技業務及網絡遊戲業務。北京聯眾及北京光曜各自將會有不同的利潤及虧損重點,且本集團將安排適合不同業務的管理人員。擁有單獨的實體經營不同的業務亦使得本集團將更容易設定合適的重要績效指標,為不同業務、管理層及僱員以及本集團制定恰當的獎勵和報酬。

Also, in order to further expand the Group's eSports business, the Company may be required to obtain additional sources of funding in the future, such as by way of introducing third party investors either at the Company level or at the subsidiary level. Although the Company does not have any concrete plans as at the date of this directors' report to introduce any third party investors, the separation of the eSports business and the Online Games Business via separate variable interest entity structures will allow the Company to have flexibility in the future to introduce investors depending on the actual business needs of the Company and negotiation with potential investors.

此外,為進一步發展本集團電子競技業務,本公司須於未來取得額外的資金來源,如通過引入本公司層面或附屬公司層面的第三方投資者。儘管於本董事會報告日期本公司並無任何引入任何第三方投資者的具體計劃,但通過分離可變權益實體架構將電子競技業務與網絡遊戲業務分離,可使本公司於未來靈活地引入投資者,惟須取決於本公司的實際業務需求及與潛在投資者的磋商。

The Group believes that such added flexibilities and focus will be instrumental to nurturing and growing the eSports business while continuing to maintain a healthy growth in the Online Games Business. Further details of the reasons for the Contractual Arrangements 2 are set out in the announcement of the Company dated 31 May 2018.

本集團相信,額外靈活性及關注將有利於培養和發展電子競技業務,同時持續維持網絡遊戲業務的健康發展。有關合約安排2的理由的進一步詳情載於本公司日期為二零一八年五月三十一日的公告。

Risks associated with the Contractual Arrangements 2

We believe the following risks are associated with the Contractual Arrangements 2:

與合約安排2有關的風險

我們認為,下列風險與合約安排2有關:

- If the PRC government finds that the agreements that establish the structure for operating our business in China do not comply with applicable PRC laws and regulations, or if these laws and regulations or their interpretations change in the future, we could be subject to severe penalties and our business may be materially and adversely affected.

- 倘中國政府發現合約安排所建立營運我們中國業務的架構未遵守適用中國法律及法規或倘該等法律及法規或其詮釋於未來發生變動,則我們將遭受嚴重處罰且我們的業務可能受到重大不利影響。

- The Group relies on the Contractual Arrangements 2 to control and obtain economic benefits from Beijing Guangyao, which may not be as effective in providing operational control as equity ownership.

- 本集團依賴合約安排2控制及從北京光曜獲得經濟利益,於提供經營控制方面,可能不及所有權控制有效。

- The shareholders of Beijing Guangyao may have conflicts of interest with us, which may materially and adversely affect our business and financial condition.
- Certain terms of the Contractual Arrangements 2 may not be enforceable under PRC laws.
- We may lose the ability to use and enjoy assets held by Beijing Guangyao that are important to the operation of our business if Beijing Guangyao declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.
- The Contractual Arrangements 2 between the WFOE 2 and Beijing Guangyao may subject our Group to increased income tax due to the different income tax rates applicable to the WFOE 2 and Beijing Guangyao, which may adversely affect our results of operations.
- The Group's exercise of the options to acquire equity interests of Beijing Guangyao may be subject to certain limitations and the ownership transfer may subject us to substantial costs.
- The Contractual Arrangements 2 between the WFOE 2 and Beijing Guangyao may be subject to scrutiny by the PRC tax authorities and any finding that we or Beijing Guangyao owe additional taxes could substantially reduce our consolidated net income and the value of our Shareholders' investment.

- 北京光曜股東可能與我們產生利益紛爭，從而對我們的業務及財務狀況產生重大不利影響。
- 合約安排2的若干條款或不可根據中國法律執行。
- 倘北京光曜宣告破產或進行解散或清算程序，我們可能失去使用及享有北京光曜所持有對我們業務營運屬重要的資產的權利。
- 外商獨資企業2與北京光曜的合約安排2可能導致本集團所得稅增加，乃由於外商獨資企業2與北京光曜適用的不同所得稅率對我們的經營業績可能造成不利影響。
- 本集團行使購股權收購北京光曜股權可能受限於若干限制，且所有權轉讓可能導致我們產生大量成本。
- 外商獨資企業2與北京光曜之間的合約安排2可能須經中國稅務機關檢查，倘發現任何我們或北京光曜虧欠額外稅項，將大幅降低我們的綜合收益淨額及我們股東的投資價值。

Mitigation actions taken by the Company

The same mitigation actions as that for the VIE Structure 1 have been and will be taken for the VIE Structure 2:

- The Company has existing protections measures under the Contractual Arrangements 2. The Company's Risk Management Committee will regularly review the compliance and performance of such conditions under the Contractual Arrangements 2.
- The Company's public affair department and legal department will deal with matters relating to compliance and regulatory enquiries from relevant PRC authorities and report to the Board on a regular basis.
- Legal advisers and other professionals have been and will continue to be retained to assist the Company to deal with related matters arising from the Contractual Arrangements 2, and the auditor of the Group will be engaged to provide annual confirmations regarding the Contractual Arrangements 2.

Contractual Arrangements 2

The Contractual Arrangements 2 under the VIE Structure 2 are on substantially the same terms as those currently in place under the VIE Structure 1, save as to the identity of the operating vehicle, the identity of the wholly foreign owned enterprise, and the identity of the registered owners of the respective operating vehicle.

As at the date of this Directors' Report, the Contractual Arrangements 2 comprised six agreements, namely (a) the Master Exclusive Service Agreement 2, (b) the Business Cooperation Agreement 2, (c) the Exclusive Option Agreement 2, (d) the Share Pledge Agreement 2, (e) the Proxy Agreement 2 and (f) the Power of Attorney 2.

In relation to the Contractual Arrangements 2 under the VIE Structure 2, the Company will fulfill and comply with the same conditions as those imposed on the contractual arrangements under the VIE Structure 1 as disclosed on pages 150 to 152 of the Prospectus, mutatis mutandis.

本公司採取的緩和措施

本公司已經並將對可變權益實體架構2採取與可變權益實體架構1相同的緩和措施：

- 本公司擁有合約安排2項下現有保護措施。本公司風險管理委員會將定期審查合約安排2項下相關條件的遵守及履行情況。
- 本公司的公共事務部及法律部門將處理有關合規的情況及相關中國機構監管查詢事項，並定期向董事會報告。
- 法律顧問及其他專業人士已及將繼續協助本公司處理合約安排2產生的有關事項，且本集團已委聘核數師就合約安排2提供年度確認。

合約安排2

可變權益實體架構2項下合約安排2的條款與可變權益實體架構1項下當前實行的條款大致相同，惟運營實體身份、外商獨資企業身份及各自營運實體登記持有人身份除外。

於本董事會報告日期，合約安排2由六項協議組成，即(a)獨家服務總協議2、(b)業務合作協議2、(c)獨家購股權協議2、(d)股份質押協議2、(e)委託協議2及(f)授權委託書2。

在可變權益實體架構2項下合約安排2方面，本公司將履行並遵守與對招股章程第150至152頁所披露可變權益實體架構1項下合約安排施加的條件相同的條件(經作出必要的修訂)。

The following diagram illustrates how economic benefits flow from Beijing Guangyao to our Group under the Contractual Arrangements 2:

下表闡述根據合約安排2，北京光曜為本集團帶來的經濟利益：

(1) Covenants not to materially affect Beijing Guangyao's assets and business and right to appoint directors and officers (Note 1)

(2) Power of attorney to exercise all shareholders' rights in Beijing Guangyao (Note 2)

(3) Exclusive option to acquire all or part of the equity interest in Beijing Guangyao (Note 3)

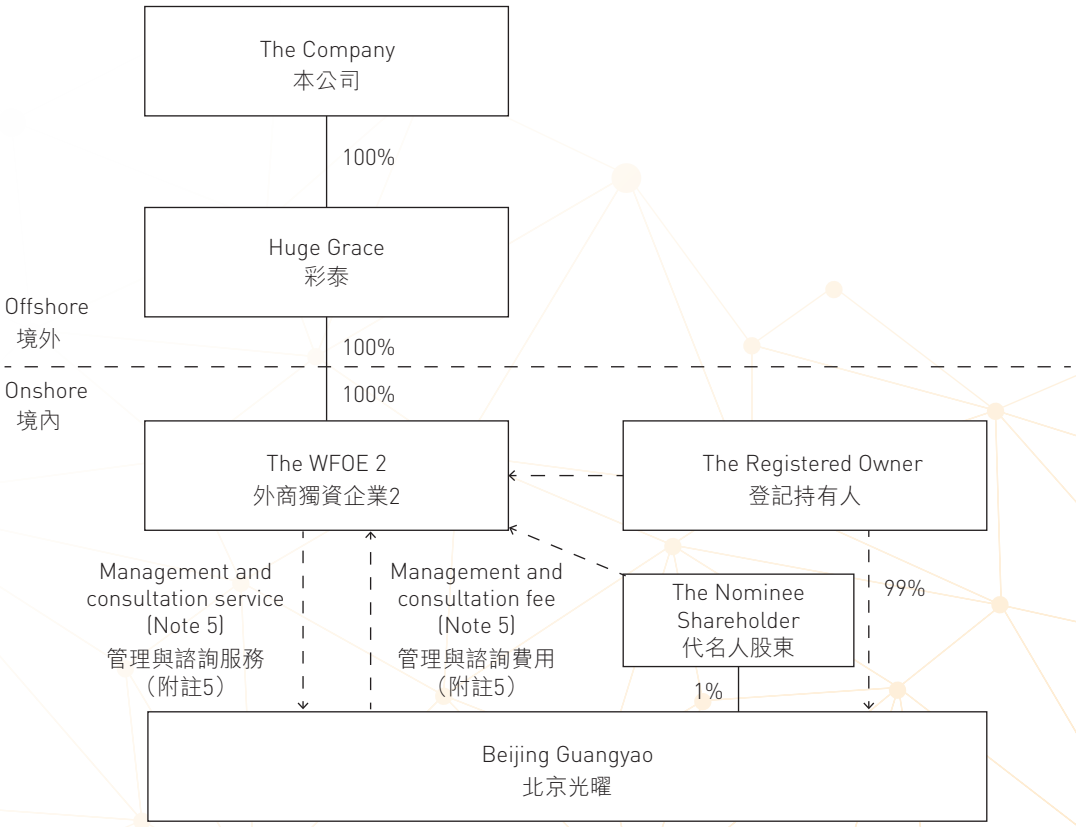
(4) First priority security interest over the entire equity interest in Beijing Guangyao (Note 4)

(1) 不會對北京光曜之資產及業務及委任董事及高級職員之權利產生重大影響之契諾(附註1)

(2) 行使北京光曜所有股東權利之授權委託書(附註2)

(3) 收購北京光曜全部或部分股權之獨家購股權(附註3)

(4) 於北京光曜全部股權的第一優先抵押權益(附註4)



Notes:

1. Please refer to the section headed "Business Cooperation Agreement 2" for details.
2. Please refer to the section headed "Proxy Agreement and Power of Attorney 2" for details.
3. Please refer to the section headed "Exclusive Option Agreement 2" for details.
4. Please refer to the section headed "Share Pledge Agreement 2" for details.
5. Please refer to the section headed "Master Exclusive Service Agreement 2" for details.
6. "— " denotes direct legal and beneficial ownership in the equity interest and "--->" denotes contractual relationship.

Master Exclusive Service Agreement 2

Beijing Guangyao entered into a master exclusive service agreement with the WFOE 2 on 9 February 2017 (the "**Master Exclusive Service Agreement 2**"), pursuant to which, in exchange for a quarterly service fee, Beijing Guangyao agreed to engage the WFOE 2 as its exclusive provider for the following services:

- providing technology development and transfer, and technical consulting services;
- providing occupation and pre-occupation staff training services;
- providing public relation services;
- providing market investigation, research and consulting services;
- providing mid- or short-term market development and market planning services;
- providing human resource management and internal information management;
- providing network development, upgrade and daily maintenance;
- providing sale services of self-produced products;
- licensing of software;

附註：

1. 有關詳情，請參閱「業務合作協議2」一節。
2. 有關詳情，請參閱「委託協議及授權委託書2」一節。
3. 有關詳情，請參閱「獨家購股權協議2」一節。
4. 有關詳情，請參閱「股份質押協議2」一節。
5. 有關詳情，請參閱「獨家服務總協議2」一節。
6. 「—」表示於股權中的直接法定及實益所有權，「--->」表示合約關係。

獨家服務總協議2

北京光曜於二零一七年二月九日與外商獨資企業2訂立獨家服務總協議(「**獨家服務總協議2**」)，據此，為換取季度服務費，北京光曜同意委聘外商獨資企業2擔任其以下服務的獨家供應商：

- 提供技術開發及轉讓以及技術諮詢服務；
- 提供在職及入職前員工培訓服務；
- 提供公共關係服務；
- 提供市場調查、研究及諮詢服務；
- 提供中期或短期市場開發及市場規劃服務；
- 提供人力資源管理及內部信息管理；
- 提供網絡開發、升級及日常維護；
- 提供自主生產產品的銷售服務；
- 軟件授權；

- providing maintenance services in respect of computer software and hardware system, database and computer servers;
- providing maintenance and upgrade services in respect of the online games;
- providing training services in respect of online game and eSports technology and operations;
- providing research and development services in respect of online game software and maintenance of the system;
- selling and authorising Beijing Guangyao to license software, and
- other services determined from time to time by the WFOE 2 according to the need of business and capacity of the WFOE 2 and its designated affiliates.

The service fee is equal to 100% of the consolidated net profits of Beijing Guangyao. The WFOE 2 may adjust the service fee at its sole discretion with reference to the working capital requirements of the WFOE 2 and in accordance with several factors relating to the services provided, including (i) technical difficulty and complexity of the services; (ii) time spent in providing the services; (iii) contents and commercial value of the services; and (iv) the benchmark price of similar services in the market. Our PRC Legal Advisor is of the opinion that such payment of service fees is not subject to any legal or regulatory requirements in the PRC and does not violate any PRC laws.

Any intellectual properties developed by performance of the Master Exclusive Service Agreement 2, including but not limited to copyrights, trademarks, patents, technical secrets and knowhow, belong to the WFOE 2. If a development is based on the intellectual properties owned by Beijing Guangyao, Beijing Guangyao shall warrant and guarantee that such intellectual properties are flawless and it shall bear all damages and losses caused to the WFOE 2 by any flaw of such intellectual properties. The WFOE 2 has the right to recover all of its losses from Beijing Guangyao for liabilities to any third party.

The Master Exclusive Service Agreement 2 can be terminated by the WFOE 2 at any time upon 30 days' written notice to Beijing Guangyao. The Master Exclusive Service Agreement 2 shall also terminate upon the transfer of all the shares of Beijing Guangyao to the WFOE 2 and/or a third party designated by the WFOE 2 pursuant to the Exclusive Option Agreement 2.

- 提供與電腦軟件及硬件系統、數據庫及電腦伺服器有關的維護服務;
- 提供與網絡遊戲有關的維護及升級服務;
- 提供與網絡遊戲及電子競技技術及經營有關的培訓服務;
- 提供與網絡遊戲軟件及系統維護有關的研發服務;
- 向北京光曜銷售及授權許可軟件;及
- 外商獨資企業2根據外商獨資企業2及其指定聯屬人士的業務需求及能力不時釐定的其他服務。

服務費相等於北京光曜綜合淨利潤的100%。外商獨資企業2可參照外商獨資企業2的營運資本需求並根據與所提供服務有關的幾項因素全權調整服務費,包括(i)服務的技術難度及複雜性;(ii)提供服務時所用的時間;(iii)服務的內容及商業價值;及(iv)市場中類似服務的基準價格。我們的中國法律顧問認為,服務費付款毋須遵守中國法律法規規定且並未違反任何中國法律。

透過履行獨家服務總協議2所產生的任何知識產權(包括但不限於版權、商標、專利、技術機密及訣竅)均屬於外商獨資企業2。倘開發乃基於北京光曜所擁有的知識產權,則北京光曜須保證及擔保有關知識產權乃屬無瑕疵且其須承擔有關知識產權的任何瑕疵為外商獨資企業2帶來的所有損害及損失。外商獨資企業2有權對任何第三方的負債要求北京光曜彌補其所有損失。

獨家服務總協議2可由外商獨資企業2於向北京光曜發出三十天書面通知後的任何時間予以終止。獨家服務總協議2亦須於根據獨家購股權協議2向外商獨資企業2及/或外商獨資企業2指定的第三方轉讓北京光曜所有股份之後終止。

Business Cooperation Agreement 2

Beijing Guangyao, the Registered Owner and the WFOE 2 entered into a business cooperation agreement on 31 May 2018 (the "**Business Cooperation Agreement 2**"). Under the Business Cooperation Agreement 2, Beijing Guangyao and the Registered Owner, jointly and severally, agreed and covenanted that, without obtaining the written consent of the WFOE 2, Beijing Guangyao shall not, and the Registered Owner shall cause Beijing Guangyao not to, engage in any transaction which may materially affect Beijing Guangyao's asset, obligation, right or operation, including without limitation:

- any activities not within its normal business scope, or operating its business in a way that is inconsistent with its past practice;
- merger, reorganization, acquisition or restructuring of its principal business or assets, or acquisition or investment in any other form;
- offering any loan to any third party, incurring any debt from any third party, or assuming any debt other than in the ordinary course of business;
- engaging, changing or dismissing any director or any senior management officer;
- selling to or acquiring from any third party, mortgaging, licensing or disposing of in other ways tangible or intangible assets, other than in the ordinary course of business;
- incurring, inheriting, assuming or guaranteeing any debt that are not incurred during the ordinary course of business, using its assets to provide security or other forms of guarantees to any third party, or setting up any other encumbrances over its assets;
- making any supplement, amendment or alternation to its articles of association and by-laws, increasing or decreasing of its registered capital or changing the structure of its registered capital in other manners;
- making a distribution of a dividend, or share interest or sponsorship interest in any way, provided that upon the written request of the WFOE 2, Beijing Guangyao shall immediately distribute part or all of its distributable profits to its shareholder(s) who shall in turn immediately and unconditionally pay or transfer to the WFOE 2 any such distribution;

業務合作協議2

北京光曜、登記持有人及外商獨資企業2於二零一八年五月三十一日訂立業務合作協議(「**業務合作協議2**」)。根據業務合作協議2，北京光曜及登記持有人共同及個別同意並契諾，未獲得外商獨資企業2書面同意，北京光曜不可且登記持有人須促使北京光曜不參與可能對北京光曜資產、義務、權利或經營造成重大影響的任何交易，包括但不限於：

- 不在其正常業務範圍內的任何活動，或以與其過往做法不一致的方式經營其業務；
- 其主營業務或資產的合併、整合、收購或重組，或任何其他形式的收購或投資；
- 於正常業務過程以外，向任何第三方提供任何貸款，引致來自任何第三方的任何債務或承擔任何債務；
- 委聘、變更或解僱任何董事或任何高級管理人員；
- 除於正常業務過程以外，向任何第三方出售或收購、抵押、許可或以其他方式處置有形或無形資產；
- 引致、繼承、承擔或擔保並非於正常業務過程中引致的任何債務，使用其資產向任何第三方提供抵押品或其他形式的擔保或對其資產設置任何其他產權負擔；
- 對其組織章程細則及附則作出任何補充、修訂或變更，增加或減少其註冊資本或以其他方式改變其註冊資本的架構；
- 以任何方式作出股息或股份權益或發起權益的分派，惟前提條件為於外商獨資企業2發出書面請求後，北京光曜須立即向其股東分派其部分或全部可分派利潤，股東轉而應立即及無條件地向外商獨資企業2支付或轉讓任何有關分派；

- executing any material contract, except contracts executed in the ordinary course of business (for purpose of this subsection, the WFOE 2 may define a material contract at its sole discretion);
- selling, transferring, mortgaging or disposing of in any manner any legal or beneficial interest in its business or revenues, or allowing the encumbrance thereon of any security interest;
- dissolution or liquidation and distribution of residual assets; or
- causing any of its branches or subsidiaries to engage in any of the foregoing or enter into any contract, agreement or other legal documents which may lead to or result in any of the foregoing.

In addition, Beijing Guangyao agreed and covenanted to the WFOE 2 that Beijing Guangyao shall, and the shareholders of Beijing Guangyao shall cause Beijing Guangyao to:

- accept suggestions raised by the WFOE 2 over the engagement and replacement of employees, daily operations, dividend distribution and financial management systems of Beijing Guangyao, and Beijing Guangyao shall strictly abide by and perform accordingly;
- maintain Beijing Guangyao's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;
- conduct Beijing Guangyao's businesses in the ordinary course of business to maintain the asset value of Beijing Guangyao and refrain from any act or omission that may adversely affect Beijing Guangyao's operating status and asset value;
- provide the WFOE 2 with information on Beijing Guangyao's business operations and financial condition at the request of the WFOE 2;
- if requested by the WFOE 2, procure and maintain insurance in respect of Beijing Guangyao's assets and business from an insurance carrier acceptable to the WFOE 2, at an amount and type of coverage typical for companies that operate similar businesses;

- 除於正常業務過程中簽署的合約外，簽署任何重大合約(就此分節而言，為外商獨資企業2可全權界定的重大合約)；
- 以任何方式出售、轉讓、抵押或處置其業務或收入的任何法定或實益權益，或認可任何抵押權益有關的產權負擔；
- 解散或清算及分派剩餘資產；或
- 促使其任何分公司或附屬公司從事任何前述交易或訂立任何合約、協議或可能致使或導致任何前述交易的其他法律文件。

此外，北京光曜同意並向外商獨資企業2契諾，北京光曜應且北京光曜股東應促使北京光曜：

- 接受外商獨資企業2對以下事項提出的建議：北京光曜僱員的委聘及更換、日常經營、股息分派及財務管理系統，且北京光曜須相應地嚴格遵守並履行；
- 透過審慎及有效地經營其業務及處理其事務，根據良好的財務及業務標準及慣常做法維持北京光曜的企業存續；
- 於正常業務過程中開展北京光曜的業務以保持北京光曜的資產價值並避免可能對北京光曜的經營狀況及資產價值造成不利影響的任何作為或疏忽；
- 於外商獨資企業2提出要求時向外商獨資企業2提供與北京光曜業務經營及財務狀況有關的資料；
- 倘外商獨資企業2提出要求，則按經營類似業務的公司典型的保險金額及類型，就北京光曜的資產及業務購買及維持外商獨資企業2可接受的承保人的保險；

- immediately notify the WFOE 2 of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Beijing Guangyao's assets, business or revenue; and

- execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims so as to maintain the ownership by Beijing Guangyao of all of its assets.

According to the Business Cooperation Agreement 2, the Registered Owner and the Nominee Shareholder shall only appoint persons designated by the WFOE 2 as directors, the general manager, the chief financial officer and other senior management members of Beijing Guangyao, and the Registered Owner and the Nominee Shareholder shall dismiss any such directors or senior management members upon the request of the WFOE 2. Beijing Guangyao and the Registered Owner and the Nominee Shareholder also jointly and severally covenanted that Beijing Guangyao shall seek appropriate approval from the WFOE 2 prior to entering in to any material contract.

Furthermore, the Registered Owner and the Nominee Shareholder agreed that, unless required by the WFOE 2, they shall not put forward, or vote in favour of, any shareholder's resolution to, or otherwise request Beijing Guangyao to, distribute profits, funds, assets or property to the Registered Owner and the Nominee Shareholder, or to issue any dividends or other distributions with respect to the shares of Beijing Guangyao held by the Registered Owner and the Nominee Shareholder.

The Business Cooperation Agreement 2 shall remain effective as long as Beijing Guangyao exists, unless the WFOE 2 terminates it upon 30 days' advance written notice or upon the transfer of all the shares in Beijing Guangyao held by the Registered Owner and the Nominee Shareholder to the WFOE 2 and/or a third party designated by the WFOE 2.

- 立即通知外商獨資企業2發生或可能發生與北京光曜的資產、業務或收入有關的任何訴訟、仲裁或行政程序；及

- 簽署所有必要或適當的文件、採取所有必要或適當的行動以及提出所有必要或適當的投訴或對所有申索提出必要及適當的抗辯，以便保持北京光曜對其所有資產的所有權。

根據業務合作協議2，登記持有人及代名人股東僅可委任外商獨資企業2指定的人士擔任北京光曜的董事、總經理、首席財務官及其他高級管理層成員，且登記持有人及代名人股東須於外商獨資企業2提出要求後解僱任何有關董事或高級管理層成員。北京光曜及登記持有人以及代名人股東亦共同及個別契諾，北京光曜須於訂立任何重大合約之前尋求外商獨資企業2的適當批准。

此外，登記持有人及代名人股東同意，除非外商獨資企業2要求，彼等不可提出或投票贊成任何股東決議案或以其他方式要求北京光曜向登記持有人及代名人股東分派利潤、資金、資產或物業或就登記持有人及代名人股東持有的北京光曜股份發放任何股息或其他分派。

除非外商獨資企業2於發出三十天事先書面通知後或向外商獨資企業2及／或外商獨資企業2指定的第三方轉讓登記持有人及代名人股東持有的北京光曜所有股份後終止業務合作協議2，否則只要北京光曜繼續存在，業務合作協議2應持續有效。

Exclusive Option Agreement 2

Beijing Guangyao and the Registered Owner and the Nominee Shareholder entered into an exclusive option agreement with the WFOE 2 on 31 May 2018 (the "**Exclusive Option Agreement 2**"), pursuant to which the WFOE 2 has a right to require the Registered Owner and the Nominee Shareholder to transfer any or all the shares of Beijing Guangyao they hold to the WFOE 2 and/or a third party designated by it, in whole or in part at any time and from time to time, at the lowest price allowable under PRC laws and administration regulations at the time of transfer.

Beijing Guangyao, the Registered Owner and the Nominee Shareholder, among other things, have covenanted that:

- without the prior written consent of the WFOE 2, they shall not in any manner supplement, change or amend the articles of association and bylaws of Beijing Guangyao, increase or decrease its registered capital, or change the structure of its registered capital in other manners;
- they shall maintain Beijing Guangyao's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;
- without the prior written consent of the WFOE 2, they shall not sell, transfer, mortgage or dispose of in any manner any assets of Beijing Guangyao (except in the ordinary course of business), or legal or beneficial interest in the business or revenues of Beijing Guangyao, or allow the encumbrance thereon of any security interest;
- without the prior written consent of the WFOE 2, they shall not incur, inherit, guarantee or assume any debt, except for debts incurred in the ordinary course of business;
- they shall always operate all of Beijing Guangyao's businesses during the ordinary course of business to maintain the asset value of Beijing Guangyao and refrain from any action/omission that may adversely affect Beijing Guangyao's operating status and asset value;

獨家購股權協議2

北京光曜及登記持有人以及代名人股東與外商獨資企業2於二零一八年五月三十一日訂立獨家購股權協議(「**獨家購股權協議2**」),據此,外商獨資企業2有權要求登記持有人及代名人股東於任何時候及不時按中國法律及行政法規於轉讓時許可的最低價格向外商獨資企業2及/或其指定的第三方全部或部分轉讓其持有的任何或所有北京光曜股份。

北京光曜、登記持有人及代名人股東(其中包括)已契諾:

- 未經外商獨資企業2事先書面同意,彼等不可以任何方式補充、變更或修訂北京光曜的組織章程細則及附則、增加或減少其註冊資本或以其他方式改變其註冊資本的架構;
- 彼等須審慎及有效地經營其業務及處理其事務,根據良好的財務及業務標準及做法維持北京光曜的企業存續;
- 未經外商獨資企業2事先書面同意,彼等不可以任何方式出售、轉讓、抵押或處置北京光曜的任何資產(於正常業務過程中則除外)或北京光曜的業務或收入的法定或實益權益或認可任何抵押權益上的產權負擔;
- 未經外商獨資企業2事先書面同意,彼等不可引致、繼承、擔保或承擔任何債務(於正常業務過程中所引致的債務則除外);
- 彼等應始終於正常業務過程中經營北京光曜的所有業務以保持北京光曜的資產價值並避免可能對北京光曜的經營狀況及資產價值造成不利影響的任何作為/疏忽;

- without the prior written consent of the WFOE 2, they shall not cause Beijing Guangyao to execute any material contract (as defined by the WFOE 2 at its sole discretion), except the contracts executed in the ordinary course of business;
- 除於正常業務過程中簽署的合約以外，未經外商獨資企業2事先書面同意，彼等不可促使北京光曜簽署任何重大合約(由外商獨資企業2全權界定)；
- without the prior written consent of the WFOE 2, they shall not cause Beijing Guangyao to provide any person with any loan or credit other than in the course of ordinary business;
- 除於正常業務過程中以外，未經外商獨資企業2事先書面同意，彼等不可促使北京光曜向任何人士提供任何貸款或信貸；
- they shall provide the WFOE 2 with information on Beijing Guangyao's business operations and financial condition at the request of the WFOE 2;
- 於外商獨資企業2提出要求時，彼等須向外商獨資企業2提供與北京光曜的業務經營及財務狀況有關的資料；
- if requested by the WFOE 2, they shall procure and maintain insurance in respect of Beijing Guangyao's assets and business from an insurance carrier acceptable to the WFOE 2, at an amount and type of coverage typical for companies that operate similar businesses;
- 倘外商獨資企業2提出要求，則彼等須按經營類似業務的公司典型的保險金額及類型，就北京光曜的資產及業務購買及維持來自外商獨資企業2可接受的承保人的保險；
- without the prior written consent of the WFOE 2, they shall not cause or permit Beijing Guangyao to merge, consolidate with, acquire or invest in any person;
- 未經外商獨資企業2事先書面同意，彼等不可促使或允許北京光曜合併、與之整合、收購或投資於任何人士；
- they shall immediately notify the WFOE 2 of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Beijing Guangyao's assets, business or revenue;
- 彼等須立即通知外商獨資企業2發生或可能發生與北京光曜的資產、業務或收入有關的任何訴訟、仲裁或行政訴訟；
- to maintain the ownership by Beijing Guangyao of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims;
- 為保持北京光曜對其所有資產的所有權，彼等須簽署所有必要或適當的文件、採取所有必要或適當的行動以及提出所有必要或適當的投訴或對所有申索提出必要及適當的抗辯；
- they shall ensure that Beijing Guangyao shall not, without the prior written consent of the WFOE 2, in any manner distribute dividends to its shareholder(s), provided that upon the written request of the WFOE 2, Beijing Guangyao shall immediately distribute part or all of its distributable profits to its shareholder(s) who shall in turn immediately and unconditionally pay or transfer to the WFOE 2 any such distribution;
- 彼等須確保，未經外商獨資企業2事先書面同意，北京光曜不可以任何方式向其股東分派股息，惟前提條件為於外商獨資企業2發出書面要求後，北京光曜須立即向其股東分派其部分或全部可分派利潤，股東轉而應立即及無條件地向外商獨資企業2支付或轉讓任何有關分派；

- at the request of the WFOE 2, they shall appoint any persons designated by the WFOE 2 as the directors and/or executive directors of Beijing Guangyao;

- they shall cause the meeting of shareholders and the board of directors of Beijing Guangyao to pass shareholders' resolutions and board resolutions in accordance with the instruction of the WFOE 2; and

- unless otherwise mandatorily required by PRC laws, Beijing Guangyao shall not be dissolved or liquidated without prior written consent by the WFOE 2.

The Exclusive Option Agreement 2 shall remain effective as long as Beijing Guangyao exists, and cannot be terminated by either Beijing Guangyao or the Registered Owner. The Exclusive Option Agreement 2 can be terminated (i) by the WFOE 2 at any time upon 30 days' advance written notice to Beijing Guangyao or the Registered Owner; or (ii) upon the transfer of all the shares held by the shareholders to the WFOE 2 and/or a third party designated by the WFOE 2.

Share Pledge Agreement 2

The Registered Owner and the Nominee Shareholder entered into an share pledge agreement with the WFOE 2 on 31 May 2018 (the "**Share Pledge Agreement 2**"). Under the Share Pledge Agreement 2, the Registered Owner and the Nominee Shareholder unconditionally and irrevocably agreed to pledge all of the shares of Beijing Guangyao that they own, including any interest or dividend paid for such shares, to WFOE 2 as a security for the performance of the obligations by Beijing Guangyao, the Registered Owner and the Nominee Shareholder under the Master Exclusive Service Agreement 2, the Business Cooperation Agreement 2, the Exclusive Option Agreement 2 and other agreements to be executed among Beijing Guangyao, the Registered Owner, the Nominee Shareholder and the WFOE 2 from time to time (collectively the "**Principal Agreements 2**").

The pledge shall remain valid until all parties have agreed to terminate the Share Pledge Agreement 2, the Principal Agreements 2 have been fulfilled to the satisfaction of the WFOE 2 or all of the Principal Agreements 2 have expired or been terminated.

- 於外商獨資企業2提出要求時，彼等須委任外商獨資企業2指定的任何人士擔任北京光曜的董事及╱或執行董事；

- 彼等須促使北京光曜的股東大會及董事會根據外商獨資企業2的指示通過股東決議案及董事會決議案；及

- 除非中國法律另行強制性要求，否則未經外商獨資企業2事先書面同意，不可解散或清算北京光曜。

只要北京光曜繼續存在，獨家購股權協議2應持續有效，不可由北京光曜或登記持有人予以終止。獨家購股權協議2可以以下方式予以終止：(i)於向北京光曜或登記持有人發出三十天事先書面通知後的任何時候由外商獨資企業2予以終止；或(ii)於向外商獨資企業2及╱或外商獨資企業2指定的第三方轉讓股東持有的所有股份後予以終止。

股份質押協議2

登記持有人及代名人股東於二零一八年五月三十一日訂立股份質押協議(「**股份質押協議2**」)。根據股份質押協議2，登記持有人及代名人股東無條件及不可撤銷地同意向外商獨資企業2抵押其擁有的北京光曜的所有股份(包括就有關股份支付的任何利息或股息)，作為北京光曜、登記持有人及代名人股東履行其於獨家服務總協議2、業務合作協議2、獨家購股權協議2及北京光曜、登記持有人、代名人股東與外商獨資企業2之間不時簽署的其他協議(統稱「**主要協議2**」)項下義務的質押品。

抵押應持續有效，直至各方已同意終止股份質押協議2、主要協議2的履行令外商獨資企業2滿意或所有主要協議2已屆滿或已終止。

Proxy Agreement 2 and Power of Attorney 2

Beijing Guangyao, the Registered Owner and the Nominee Shareholder entered into a proxy agreement and power of attorney with the WFOE 2 on 31 May 2018 (the "**Proxy Agreement 2 and Power of Attorney 2**"). Under the Proxy Agreement 2 and Power of Attorney 2, the Registered Owner and the Nominee Shareholder irrevocably agreed to appoint the WFOE 2 (as well as its successors, including a liquidator, if any, replacing the WFOE 2) as their attorney-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorney-in-fact's prior written consent, any and all right that they have in respect of its shares in Beijing Guangyao, including without limitation:

- to call and attend shareholders' meetings of Beijing Guangyao, and receive notices and materials with respect to the shareholders' meeting;
- to execute and deliver any and all written resolutions and meeting minutes in the name and on behalf of such shareholder;
- to vote by itself or by proxy on any matters discussed on shareholders' meetings of Beijing Guangyao, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of Beijing Guangyao;
- to sell, transfer, pledge or dispose of any or all of the shares in Beijing Guangyao;
- to nominate, appoint or remove the directors, supervisors and senior management of Beijing Guangyao when necessary;
- to oversee the economic performance of Beijing Guangyao;
- to have full access to the financial information of Beijing Guangyao at any time;

委託協議2及授權委託書2

北京光曜、登記持有人及代名人股東與外商獨資企業2於二零一八年五月三十一日訂立委託協議及授權委託書(「**委託協議2及授權委託書2**」)。根據委託協議2及授權委託書2，登記持有人及代名人股東不可撤銷地同意委任外商獨資企業2(以及取代外商獨資企業2的繼承者，包括清算人(如有))擔任其實際代理人以代表其行使並同意及承諾不會在未經有關實際代理人事先書面同意的情況下行使其與北京光曜的股份有關的任何及所有權利，包括但不限於：

- 召開及出席北京光曜的股東大會、收取與股東大會有關的通知及材料；
- 以有關股東的名義並代表有關股東簽立及交付任何及所有書面決議案及會議紀要；
- 由其自身或由代理人對就北京光曜股東大會討論的任何事項進行投票，包括但不限於出售、轉讓、抵押、質押或處置北京光曜的任何或所有資產；
- 出售、轉讓、抵押或處置北京光曜的任何或所有股份；
- 於必要時提名、委任或罷免北京光曜的董事、監事及高級管理層；
- 監督北京光曜的經濟效益；
- 於任何時候對北京光曜的財務資料擁有完全使用權；

- to file any shareholder lawsuits or take other legal actions against Beijing Guangyao's directors or senior management members when such directors or members are acting to the detriment of the interest of Beijing Guangyao or its shareholder(s);
- to approve annual budgets or declare dividends;
- to manage and dispose of the assets of Beijing Guangyao;
- to have the full rights to control and manage Beijing Guangyao's finance, accounting and daily operation (including but not limited to signing and execution of contracts and payment of government taxes and duties);
- to approve the filing of any documents with the relevant governmental authorities or regulatory bodies; and
- any other rights conferred by the articles of association of Beijing Guangyao and/or the relevant laws and regulations on the shareholders.

In addition, if any share transfer is contemplated under the Exclusive Option Agreement 2 and the Share Pledge Agreement 2 that the Registered Owner or the Nominee Shareholder enters into for the benefits of the WFOE 2 or its affiliate, the WFOE 2 shall have the right to sign the share transfer agreement and other relevant agreements and to perform the Exclusive Option Agreement 2 and the Share Pledge Agreement 2.

The Proxy Agreement 2 and Power of Attorney 2 will remain effective so long as Beijing Guangyao exists. Beijing Guangyao's shareholders will not have the right to terminate the Proxy Agreement 2 and Power of Attorney 2 or to revoke the appointment of the attorney-in-fact without the prior written consent of the WFOE 2.

- 當北京光曜的董事或高級管理層成員的行為損害北京光曜或其股東權益時，對有關董事或成員提出任何股東訴訟或採取其他法律行動；
- 批准年度預算或宣派股息；
- 管理及處置北京光曜的資產；
- 擁有完全控制及管理北京光曜財務、會計及日常運營的權利(包括但不限於簽署及執行合約以及繳納政府稅項及關稅)；
- 批准任何文件於相關政府主管部門或監管機構備案；及
- 北京光曜的組織章程細則及／或與股東有關的相關法律法規賦予的任何其他權利。

此外，倘擬根據登記持有人或代名人股東為外商獨資企業2及其聯屬人士的利益訂立的獨家購股權協議2及股份質押協議2進行任何股份轉讓，則外商獨資企業2應有權簽署股份轉讓協議及其他相關協議並履行獨家購股權協議2及股份質押協議2。

只要北京光曜繼續存在，委託協議2及授權委託書2應持續有效。未經外商獨資企業2事先書面同意，北京光曜的股東將無權終止委託協議2及授權委託書2或撤銷實際代理人的委任。

Revenue and Assets subject to the Contractual Arrangements 2

The revenue, profit for the year and total assets subject to the Contractual Arrangements 2 are set out as follows:

合約安排2項下的收益及資產

合約安排2項下的年內收益、利潤及總資產載列如下：

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度 RMB'000 人民幣千元	Year ended 31 December 2017 截至二零一七年十二月三十一日止年度 RMB'000 人民幣千元
Revenue	收入	**131,541**	29,521
Loss for the year	年內虧損	**147,889**	72,533

		As at 31 December 2018 於二零一八年十二月三十一日 RMB'000 人民幣千元	As at 31 December 2017 於二零一七年十二月三十一日 RMB'000 人民幣千元
Total assets	總資產	**374,639**	425,592

For the year ended 31 December 2018, the revenue and loss for the year subject to the Contractual Arrangements 2 amounted to approximately 38.3% (2017: 4.8%) and 21.2% (2017: 168.9%) of the revenue and loss for the year of the Group respectively.

截至二零一八年十二月三十一日止年度，合約安排2項下的年內收入及虧損分別佔本集團年內收入及虧損約38.3%(二零一七年：4.8%)及21.2%(二零一七年：168.9%)。

As at 31 December 2018, the total assets subject to the Contractual Arrangements 2 amounted to approximately 29.6% (2017: 26.3%) of the total assets of the Group.

In the opinion of our PRC Legal Advisor dated 31 May 2018, the Contractual Arrangements 2 are valid, binding and are in compliance with and enforceable under the applicable PRC laws and regulations, except that the Contractual Arrangements 2 provide that the arbitral tribunal or the arbitrators may award remedies over the shares or land assets of Beijing Guangyao, relief or winding up of Beijing Guangyao, and that courts of competent jurisdictions are empowered to grant interim injunctive relief or other interim relief in support of the arbitration when formation of the arbitral tribunal is pending or under appropriate circumstances, while under PRC laws, an arbitral tribunal or the arbitrators has no power to grant injunctive relief or provisional or final liquidation order to preserve the assets or any shares of Beijing Guangyao in case of dispute.

Confirmation from Independent Directors

The independent non-executive Directors reviewed the Contractual Arrangements 1 and the Contractual Arrangements 2 (the "**Continuing Connected Transactions**") and the independent auditor's report, and confirmed that the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms or better, and (iii) according to the relevant agreements governing each of the Continuing Connected Transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors also confirmed that no dividends or other distributions have been made by Beijing Lianzhong and Beijing Guangyao to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

於二零一八年十二月三十一日，合約安排2項下的總資產佔本集團總資產的約29.6%(二零一七年：26.3%)。

根據我們中國法律顧問於二零一八年五月三十一日發表的意見，合約安排2屬有效、具約束力及遵守適用的中國法律及法規且可強制執行，惟合約安排2規定仲裁庭或仲裁員可對北京光曜的股份或土地資產授予補救措施、可解散或清盤北京光曜，且有關司法權區的主管法院有權在成立仲裁庭之前或在適當時候授出臨時禁制令補救措施或其他臨時補救措施以支持仲裁，根據中國法律，在產生糾紛的情況下，仲裁庭或仲裁員無權授出禁制令補救措施或臨時或最終清盤令以保留北京光曜的資產或任何股份。

獨立董事確認書

獨立非執行董事已審閱合約安排1及合約安排2(「**持續關連交易**」)以及獨立核數師報告，並確認持續關連交易乃(i)於本集團日常及一般業務過程中訂立；(ii)按正常或更佳商業條款訂立；及(iii)按規管各項持續關連交易的相關協議訂立，其條款屬公平合理且符合股東整體利益。

董事亦確認，北京聯眾及北京光曜概無向其股權隨後分配或轉讓予本集團的持有人作出股息或其他分派。

Confirmations from the Company's Independent Auditor

The Company's auditor was engaged to report on the Group's Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has confirmed in a letter to the Board that with respect to the Continuing Connected Transactions entered into in the year ended 31 December 2018:

(a) nothing has come to their attention that causes the auditor to believe that the Continuing Connected Transactions have not been approved by the Board; and

(b) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Continuing Connected Transactions governing such transactions.

A copy of the auditor's letter on the Continuing Connected Transactions of the Group for the year ended 31 December 2018 has been provided by the Company to the Stock Exchange.

本公司獨立核數師確認書

本公司已委聘核數師，遵照香港會計師公會頒佈的香港鑒證業務準則第3000號(經修訂)「非審核或審閱過往財務資料的鑒證工作」，並參照實務説明第740號「關於香港上市規則所述持續關連交易的核數師函件」，對本集團的持續關連交易進行申報。核數師已於致董事會函件中確認，就於截至二零一八年十二月三十一日止年度訂立的持續關連交易而言：

(a) 彼等概無注意到任何事宜，致使核數師認為持續關連交易並無獲得董事會批准；及

(b) 彼等概無注意到任何事宜，致使核數師認為該等交易並非在所有重大方面按照規管該等交易的持續關連交易項下相關協議訂立。

本公司已向聯交所提供有關本集團截至二零一八年十二月三十一日止年度持續關連交易的核數師函件副本。

23. PRINCIPAL RISKS AND UNCERTAINTIES

We believe that there are certain risks involved in our operations, some of which are beyond our control. The principal risks and uncertainties the Group is facing are as follows:

Risks Relating to the Business and Industry of the Company

If the Group fails to continuously strengthen its existing games and launch new games, or if its top games lose their popularity, the Group may not be able to retain existing players and attract new players, which will adversely affect the business and results of the operation of the Group. The Group relies on third-party channels to distribute a substantial number of our games, and our business and results of operations may be adversely affected if these third-party channels breach their obligations to us, or if we fail to maintain relationships with a sufficient number of channels, or if our commercial arrangements with these third-party channels become less favorable to us, or if these channels lose popularity among internet users.

23. 主要風險及不確定性

我們認為，我們的營運涉及若干風險，其中若干風險並非我們所能控制。本集團面臨的主要風險及不確定因素如下：

與本公司業務及所在行業相關的風險

倘本集團未能持續加強其現有遊戲及推出新遊戲，或其頂級遊戲失去人氣，則本集團可能會無法保留現有玩家或吸引新玩家，這將對本集團的業務及經營業績造成不利影響。本集團依賴第三方渠道分銷我們的大部分遊戲，因此，如該等第三方渠道違反其應向我們履行的責任，或我們未能與足夠的渠道維持關係，或倘我們與該等第三方渠道的商業安排變得不利於我們，或倘該等渠道在網絡用戶中失去人氣，則我們的業務及經營業績或會受到不利影響。

During 2017, the Company encountered intensified competition and challenges in its China domestic card and board games business, both from intense competition from new apps that provide online game room functions, as well as adverse payment policy changes in the Company's main mobile carrier payment partners. The negative impact on both PC and mobile China domestic card and board game businesses of the Company, particularly in the beginning of the year, consequently caused a fairly substantial downturn on revenue and profitability of the Company. During the year ended 31 December 2018, the Group's online card and board games business in China continued to face the highly challenging conditions together with unexpected and significant regulatory headwinds in the same business.

Risks and Uncertainties Related to Various PRC Laws and Regulations

We face risks and uncertainties relating to the applicability of certain PRC laws and regulations to our card and board games, and we cannot assure that such laws and regulations will not be interrupted in ways unfavorable to us. As electronic publications that provide telecommunication services and Internet culture services, online games are subject to various PRC laws and regulations of multiple government authorities including the Ministry of Industry and Information Technology of the PRC, the PRC State Administration of Press, Publication, Radio, Film and Television, the National Copyright Administration and the Ministry of Culture of the PRC. In February 2018, due to the increasingly strict regulation, a minor penalty of RMB50,000 in total were imposed on our two online games by the local authority of Culture administration, which has been paid off and we have completed the rectification as required as of the date of this annual report. There is no assurance that our online games will not further be deemed to violate any applicable PRC laws in the future. Similarly, there is no assurance that our game business will not be challenged or subject to any regulatory actions in the PRC. If we are forced to discontinue any of our existing games or if we are unable to offer any new games in the PRC due to regulatory restrictions, our business and growth prospects may be materially and adversely affected.

於二零一七年，本公司在其中國國內棋牌遊戲業務遭遇激烈的競爭和挑戰，一方面是來自提供線上開房功能的新遊戲應用的激烈競爭，另一方面是本公司主要移動運營商支付合作夥伴的支付政策發生了不利的變化，對本公司PC及中國國內移動棋牌遊戲業務產生了負面的影響，尤其是在今年年初導致本公司的收入與盈利大幅下滑。於截至二零一八年十二月三十一日止年度，本集團在中國的線上棋牌遊戲業務持續面臨極具挑戰性的環境，以及在同一業務中不可預測及重大的監管不利因素。

與中國法律和法規有關的風險及不確定性

我們面臨有關棋牌遊戲的若干中國法律及法規適用性的風險及不確定因素，且我們無法向　閣下保證有關法律及法規將不會以不利我們的方式詮釋。提供電訊服務及互聯網文化服務以及網路遊戲等的電子出版業受若干中國法律及多個政府部門監督及監管，包括中華人民共和國工業和信息化部、中華人民共和國新聞出版總署、廣播電影電視總局、國家版權局和中華人民共和國文化部。由於監管日益嚴格，於二零一八年二月，地方文化管理部門向我們的兩款線上遊戲下達了共計人民幣50,000元的罰金，截至本年報日期，我們已將該筆罰金全部繳清並按照要求完成了整改。概不保證我們的網路遊戲於未來將不會進一步被視為違反任何適用中國法律。同樣地，概不保證我們的遊戲業務將不會受到質疑或面臨中國的任何監管行動。倘因監管限制而逼使我們終止任何現有遊戲，或倘我們不能於中國提供任何新遊戲，則我們的業務及增長前景或受到重大不利影響。

In addition, our operation may be affected due to inappropriate personal behavior by our players and employees. We have adopted policies and implemented measures to comply with applicable laws and regulate player's and employees' behaviors. Our virtual game points and virtual goods can only be used in our games and have no monetary value outside our games. We prohibit players or employees from engaging in transfers of virtual currency between themselves. We actively monitor such transfers and other offensive player behavior on our online game platform. However, we cannot assure you that all our players or employees will comply with applicable laws and our policies or that we will not be held liable for their violations.

此外，我們的運營或將受到玩家及僱員的個人不當行為的影響。我們已採納政策及實施措施，以遵守適用法律及規管玩家及僱員的行為。我們的虛擬遊戲點數及虛擬物品僅可用於我們的遊戲且於遊戲外並無貨幣價值。我們禁止玩家或僱員彼此間進行未經授權的虛擬貨幣轉讓。我們積極監管我們網路遊戲平台上的未授權交易及其他違規玩家的行為。然而，我們無法向　閣下保證，我們所有玩家或僱員將遵守適用法律及我們的政策或我們將不會承擔彼等違法行為的責任。

Risks Relating to Preferential Tax Treatment

Under the Enterprise Income Tax Law, the current statutory enterprise income tax rate is 25%. Our PRC operating entity, Beijing Lianzhong, has been qualified as a High and New Technology Enterprise since 2008. Under the relevant PRC tax regulations, as a High and New Technology Enterprise, Beijing Lianzhong is entitled to a preferential tax rate of 15%. Beijing Lianzhong renewed this qualification in September 2014 for a three-year period commencing from October 2014 and then in September 2017 for a three-year period commencing from October 2017. In addition, Beijing Lianzhong was respectively accredited by the National Development and Reform Commission, the Ministry of Industry and Information Technology of the PRC, the Ministry of Finance, the Ministry of Commerce of the PRC and the State of Taxation as a Key Software Enterprise within National Planning Layout for the Years 2013–2014 and the Years 2015, 2016 and 2017. As a result, Beijing Lianzhong is entitled to a preferential income tax rate of 10% for the year ended 31 December 2017. As Beijing Lianzhong recorded a loss for the year ended 31 December 2018, we were unable to apply for the renewal the recognition for the Key Software Enterprise within National Planning Layout for the Year 2018. If Beijing Lianzhong continues to record loss in future, it will still fail to renew the qualification as a Key Software Enterprise within National Planning Layout, its applicable enterprise income tax rate will be 15% when its qualification as a High and New Technology Enterprise remains valid.

與優惠稅待遇相關的風險

根據企業所得稅法，本公司當前的法定企業所得稅稅率為25%。我們的中國運營實體北京聯眾自二零零八年起符合資格成為高新技術企業。根據相關中國稅務規定，作為高新技術企業，北京聯眾有權享有15%的優惠稅率。北京聯眾於二零一四年九月更新此項資格，自二零一四年十月起計為期三年；及其後於二零一七年九月更新，由二零一七年十月起計為期三年。此外，北京聯眾分別獲國家發展和改革委員會、中國工業和信息化部、財政部、中國商務部及國家稅務總局認定為二零一三年至二零一四年、二零一五年、二零一六年及二零一七年國家規劃佈局內的重點軟件企業。因此，截至二零一七年十二月三十一日止年度，北京聯眾有權按10%的優惠所得稅稅率繳稅。由於北京聯眾於截至二零一八年十二月三十一日止年度錄得虧損，我們未能申請將二零一八年國家規劃佈局內的重點軟件企業確認更新。倘北京聯眾於未來繼續錄得虧損，其將繼續未能更新其作為國家規劃佈局內重點軟件企業的資格，則其作為高新科技企業的資格維持有效時的適用企業所得稅按15%的稅率繳稅。

Risks Relating to our Corporate Structure

We rely on our contractual arrangements to control and obtain economic benefits from the PRC operating entities, Beijing Lianzhong and Beijing Guangyao, which may not be as effective in providing operational control as equity ownership. Meanwhile, the shareholders of Beijing Lianzhong and Beijing Guangyao may have conflicts of interest with us, which may materially and adversely affect our business and financial condition. Furthermore, if the PRC government finds that the contractual arrangements that established the structure for operating our business in China do not comply with applicable PRC laws and regulations, or if these laws and regulations or their interpretations change in the future, we could be subject to severe penalties and our business may be materially and adversely affected.

與企業架構相關的風險

我們依賴我們的合約安排控制中國運營實體北京聯眾和北京光曜並獲得經濟利益，可能未能如作為權益擁有人對其營運進行控制般有效。同時，北京聯眾和北京光曜股東可能與我們存在利益衝突，這可能對我們的業務及財務狀況造成重大不利影響。此外，倘中國政府發現合約安排所建立營運我們中國業務的架構未遵守適用中國法律及法規或倘該等法律及法規或其詮釋於未來發生變動，則我們將遭受嚴重處罰且我們的業務可能受到重大不利影響。

24. MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

24. 管理合約

年內概無訂立或存在任何與本公司全部或絕大部分業務管理與行政有關的合約。

25. MAJOR CUSTOMERS AND SUPPLIERS

The ultimate customers of the Group are individual players paying through payment channels. As such, our Directors consider that it is not practicable to identify the five largest customers of our Group for the year ended 31 December 2018 and we did not rely on any single customer during the year. For instance, none of our customers accounted for 5% or more of our revenue for the year ended 31 December 2018.

During the year ended 31 December 2018, the purchases from the Group's five largest suppliers accounted for a total of 25.88% of the Group's total purchases from all of the suppliers. The purchases from our top supplier in 2018 accounted for approximately 11.46% of the Group's total purchases.

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued shares) had an interest in any of the major customers or suppliers noted above.

25. 主要客戶及供應商

本集團的最終客戶為透過付款渠道支付的個體玩家。因此，董事認為，識別本集團截至二零一八年十二月三十一日止年度的五大客戶並不切實可行，而我們於年內並無依靠任何單一客戶，例如，截至二零一八年十二月三十一日止年度，概無客戶佔我們收入的5%或以上。

於截至二零一八年十二月三十一日止年度，從本集團五大供應商作出的採購額佔本集團從所有供應商作出的總採購額25.88%。於二零一八年，從我們的最大供應商的採購額佔本集團總採購額約11.46%。

概無董事、彼等的緊密聯繫人或任何本公司股東(據董事所知擁有本公司已發行股份5%以上)於上述任何主要客戶或供應商中擁有權益。

26. AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting principles and policies adopted by the Group and discussed the Group's internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2018.

26. 審核委員會

本公司的審核委員會(「**審核委員會**」)已審閱本集團所採納的會計原則及政策,並與管理層討論本集團的內部監控及財務報告事宜。審核委員會已審閱本集團截至二零一八年十二月三十一日止年度的經審核綜合財務報表。

27. PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association, although there are no restrictions against such rights under the laws in the Cayman Islands.

27. 優先購買權

組織章程細則項下並無優先購買權的規定,惟開曼群島法律並無有關對該等權利的限制條文。

28. EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 265 employees, 125 of which were responsible for games development and operation or general administration in the People's Republic of China (including Hong Kong), 88 for eSports business, and 52 for WPT business. The total remuneration expenses, excluding share-based compensation expense, for the year ended 31 December 2018 were RMB119.6 million, representing a decrease of 13.8% as compared to the previous year.

We provide various employee benefits and social insurance to our employees. We also provide share options to better motivate our employees. Pursuant to the Share Award Scheme, 1,000,000 shares were awarded to employee of the Group during the year ended 31 December 2018. The Group's share-based compensation expenses for the year ended 31 December 2018 amounted to approximately RMB29.0 million, representing an increase of RMB4.1 million as compared with RMB24.9 million in 2017.

28. 僱員及薪酬政策

於二零一八年十二月三十一日,本集團擁有265名僱員,其中125名於中華人民共和國(包括香港)負責遊戲開發以及營運或一般行政、88名負責電子競技業務及52名負責WPT業務。截至二零一八年十二月三十一日止年度的薪酬開支總額(不包括以股份為基礎的酬金開支)為人民幣119.6百萬元,較去年減少13.8%。

我們為僱員提供不同的僱員福利及社會保險,亦提供購股權以更好地激勵我們的員工。根據股份獎勵計劃,於截至二零一八年十二月三十一日止年度,1,000,000股股份已經授予本集團僱員。截至二零一八年十二月三十一日止年度,本集團以股份為基礎的酬金開支約為人民幣29.0百萬元,較二零一七年度的24.9百萬元增加了約4.1百萬元。

29. SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained the amount of public float as required under the Listing Rules during the year ended 31 December 2018.

29. 充足的公眾持股量

根據本公司可獲取的公開資料及據董事所知,董事確認本公司於截至二零一八年十二月三十一日止年度已維持上市規則規定的公眾持股量。

30. AUDITOR

The consolidated financial statements have been audited by Grant Thornton Hong Kong Limited. A resolution for its re-appointment as auditor for the coming year will be proposed at the forthcoming AGM.

30. 核數師

致同(香港)會計師事務所有限公司已審核綜合財務報表。重選來年核數師的決議案將於應屆股東週年大會上提呈審批。

31. TAX RELIEF AND EXEMPTION

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

31. 稅務減免

董事並不知悉股東因持有本公司證券而可享有任何稅務減免。

On behalf of the Board
Yang Eric Qing
Chairman and Executive Director

29 March 2019

代表董事會
楊慶
主席兼執行董事

二零一九年三月二十九日

Corporate Governance Report
企業管治報告

The Board of Directors is pleased to present the corporate governance report of the Company for the year ended 31 December 2018.

董事會欣然呈列本公司截至二零一八年十二月三十一日止年度的企業管治報告。

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and promoting stringent corporate governance policies. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders of the Company (the "**Shareholders**").

企業管治常規

本公司致力於維持及促進嚴格的企業管治政策。本公司企業管治原則為推出有效的內部監控措施及提高董事會對本公司全體股東(「**股東**」)的透明度及問責制度。

Compliance with the Corporate Governance Code

During the year ended 31 December 2018 and up to the date of this annual report, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**Code**") contained in Appendix 14 to the Listing Rules, except for a deviation from code provision A.2.1 which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

企業管治守則的遵守

於截至二零一八年十二月三十一日止年度內及直至本年報日期，本公司已遵守上市規則附錄14所載的企業管治守則及企業管治報告(「**守則**」)的守則條文，惟守則條文第A.2.1條有所偏離，其規定主席與行政總裁的角色應有區分且不應由一人同時兼任。

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

董事會將繼續審視及監控本公司常規以符合守則規定及維持本公司高水準的企業管治常規。

Model Code

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to govern securities transactions by its Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they have strictly complied with the required standards as set out in the Model Code during the year ended 31 December 2018 and up to the date of this annual report.

標準守則

本公司已採納上市規則附錄10所載標準守則規管本公司董事進行的證券交易。經向全體董事作出具體查詢後，所有董事確認彼等於截至二零一八年十二月三十一日止年度及直至本年報日期內已嚴格遵守標準守則所訂的規定標準。

BOARD OF DIRECTORS

The Board currently comprises two executive Directors, four non-executive Directors and three independent non-executive Directors.

The composition of the Board for the year ended 31 December 2018 and up to the date of this annual report is as follows:

Executive Directors

Mr. Yang Eric Qing *(Chairman and Co-Chief Executive Officer)*
Mr. Ng Kwok Leung Frank *(Co-Chief Executive Officer)*

Non-executive Directors

Mr. Liu Jiang
Ms. Fu Qiang
Mr. Fan Tai
Mr. Chen Xian

Independent Non-executive Directors

Mr. Ge Xuan
Mr. Lu Zhong
Mr. Cheung Chung Yan David*
Dr. Tyen Kan Hee Anthony*

* Dr. Tyen Kan Hee Anthony was appointed as an independent non-executive Director with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be an independent non-executive Director on the same day.

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 38 to 42 of this annual report. For the year ended 31 December 2018, there is no relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members per code provision I(h) of the Corporate Governance Code.

Chairman and Co-Chief Executive Officer ("Co-CEO")

Code provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

董事會

董事會現時包括兩名執行董事、四名非執行董事及三名獨立非執行董事。

截至二零一八年十二月三十一日止年度及直至本年報日期，董事會組成如下：

執行董事

楊慶先生*(主席兼聯席行政總裁)*
伍國樑先生*(聯席行政總裁)*

非執行董事

劉江先生
傅強女士
樊泰先生
陳弦先生

獨立非執行董事

葛旋先生
魯眾先生
張頌仁先生*
田耕熹博士*

* 田耕熹博士獲委任為獨立非執行董事，自二零一八年三月二十七日起生效。同日，張頌仁先生不再擔任獨立非執行董事。

董事履歷詳情載列於本年報第38頁至42頁的「董事及高級管理層」一節。截至二零一八年十二月三十一日止年度，根據企業管治守則條文第I(h)條，董事會成員之間並無關係(包括財務、業務、家庭或其他重大／相關關係)。

主席及聯席行政總裁(「聯席行政總裁」)

企業管治守則的守則條文第A.2.1條訂明主席及行政總裁的角色應有區分，且不應由同一人士兼任。

Mr. Yang Eric Qing is the Chairman and Co-CEO of the Company. Mr. Yang joined the Group in December 2010 and is responsible for general operation, strategy information technology of the Company and is instrumental to the Company's growth and business expansion. The Board considers that vesting the roles of chairman and chief executive officer in Mr. Yang 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 and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. Yang), four non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

楊慶先生為本公司主席兼聯席行政總裁。楊先生於二零一零年十二月加入本集團，負責本公司的整體營運、策略及信息技術，對本公司的發展及業務擴張作出重要貢獻。董事會認為，主席及行政總裁的職務由楊先生擔任有利於本集團的管理。由經驗豐富的高素質人才組成的高級管理層及董事會可確保權力與職權的平衡。董事會目前由兩名執行董事(包括楊先生)、四名非執行董事及三名獨立非執行董事組成，因此在組合上具備頗為獨立的元素。

Board Meetings and General Meetings Held in 2018

During the year ended 31 December 2018, the Board convened seven meetings. A summary of the attendance record of the Directors is set out in the table below:

於二零一八年舉行的董事會會議及股東大會

於截至二零一八年十二月三十一日止年度內，董事會召開了七次會議。董事出席記錄概要載列於下表：

Name of Directors 董事姓名		Number of meetings attended/eligible to attend during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度期間出席／可出席會議次	Attendance rate 出席率
Executive Directors	**執行董事**		
Mr. Yang Eric Qing	楊慶先生	7/7	100%
Mr. Ng Kwok Leung Frank	伍國樑先生	6/7	86%
Non-executive Directors	**非執行董事**		
Mr. Liu Jiang	劉江先生	1/7	14%
Ms. Fu Qiang	傅強女士	4/7	57%
Mr. Fan Tai	樊泰先生	6/7	86%
Mr. Chen Xian	陳弦先生	6/7	86%
Independent Non-executive Directors	**獨立非執行董事**		
Mr. Ge Xuan	葛旋先生	6/7	86%
Mr. Lu Zhong	魯眾先生	6/7	86%
Mr. Cheung Chung Yan David*	張頌仁先生*	1/1	100%
Dr. Tyen Kan Hee Anthony*	田耕熹博士*	5/6	83%

* Dr. Tyen Kan Hee Anthony was appointed as an independent non-executive Director with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be an independent non-executive Director on the same day.

* 田耕熹博士獲委任為獨立非執行董事，自二零一八年三月二十七日起生效。同日，張頌仁先生不再擔任獨立非執行董事。

During the year ended 31 December 2018, the Company convened one annual general meeting on 23 May 2018 (the "**2018 AGM**").

於截至二零一八年十二月三十一日止年度，本公司於二零一八年五月二十三日召開了一次股東週年大會(「**二零一八年股東週年大會**」)。

Apart from Mr. Yang Eric Qing, Mr. Ng Kwok Leung Frank and Mr. Fan Tai, all other Directors did not attend the 2018 AGM due to pre-arranged business commitments.

除楊慶先生、伍國樑先生及樊泰先生出席二零一八年股東週年大會之外，所有其他董事因預先安排的事務未能出席。

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the independent non-executive Directors a written annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent. Apart from Dr. Tyen Kan Hee Anthony, each of the independent non-executive Directors has been appointed for a term of three years, which commenced on the Listing Date. Dr. Tyen Kan Hee Anthony has been appointed as an independent non-executive Director commencing from 27 March 2018. Each of them is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the Articles of Association.

獨立非執行董事

董事會已接獲獨立非執行董事各自根據上市規則第3.13條發出的年度獨立性確認書，並確信彼等的獨立性。除田耕熹博士外，各獨立非執行董事自上市日期開始已獲委任，任期為三年。田耕熹博士自二零一八年三月二十七日起獲委任為獨立非執行董事。根據組織章程細則，彼等將至少每三年於本公司股東週年大會上輪值退任一次及膺選連任。

NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors (except for Ms. Fu Qiang who was appointed on 23 June 2017) has separately been appointed for a term of three years commencing on the Listing Date. Ms. Fu Qiang has entered into a service contract with the Company for a term of three years commencing from 23 June 2017. Each of them is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the Articles of Association.

非執行董事

各非執行董事(於二零一七年六月二十三日獲委任的傅強女士除外)已分別獲委任，任期為自上市日期起計三年。傅強女士已與本公司簽訂服務合同，自二零一七年六月二十三日起計為期三年。根據組織章程細則，彼等將至少每三年於本公司的股東週年大會上輪值退任一次及膺選連任。

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is the primary decision making body of the Company and is responsible for overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively in the interests of the Company.

董事會及管理層責任、問責性及貢獻

董事會為本公司主要決策機構，負責監督本集團業務、策略決定及表現，並共同引領及監督本公司事務，以推動本公司的業務成功。董事會以符合本公司利益為依歸客觀地作出決定。

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

全體董事(包括非執行董事及獨立非執行董事)為董事會帶來寶貴的業務經驗、知識及專業,令其營運高效及有效運作。

During the year ended 31 December 2018, the Board has developed measures for implementing good corporate governance policies and practices and has delegated to the Board committees various responsibilities as set out in their respective terms of references.

於截至二零一八年十二月三十一日止年度,董事會已制定實施良好企業管治政策及常規的措施,並授予董事委員會於各自書面職權範圍的若干責任。

Our senior management is responsible for the day-to-day management of our business and is responsible for overseeing the general operation, business development, finance, marketing, PC and mobile operations.

高級管理層負責本集團日常業務管理以及負責監督整體營運、業務發展、財務、市場推廣、個人電腦及移動業務。

INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

董事入職及持續專業發展

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

每位新委任董事均將在首次獲委任時接受正式、全面及專門為其而設的入職介紹,以確保其對本公司的業務及運作有適當了解,以及全面知悉在上市規則及相關法定規定下董事的責任及義務。

Directors will be continuously updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Directors are also encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Company secretary of the Company updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

董事將持續獲得有關法律及監管機制以及業務環境的最新消息,以協助彼等履行其職責。本公司亦鼓勵董事參與持續專業發展,以提高及更新彼等的知識及技能。本公司公司秘書不時向董事提供有關上市規則及其他適用監管規定的最新資訊,以確保本公司遵守有關規定,及加強董事對良好企業管治常規的意識。

During the year ended 31 December 2018, all Directors, namely Mr. Yang Eric Qing, Mr. Ng Kwok Leung Frank, Mr. Liu Jiang, Ms. Fu Qiang, Mr. Fan Tai, Mr. Chen Xian, Mr. Ge Xuan, Mr. Lu Zhong, Mr. Cheung Chung Yan David* and Dr. Tyen Kan Hee Anthony*, have participated in continuous professional training to develop and refresh their knowledge and skills in relation to their contribution to the Board.

於截至二零一八年十二月三十一日止年度,全體董事(即楊慶先生、伍國樑先生、劉江先生、傅強女士、樊泰先生、陳弦先生、葛旋先生、魯眾先生、張頌仁先生*及田耕熹博士*)均已參與持續專業培訓,以發展及更新彼等為董事會作出貢獻的知識及技能。

Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

(1) participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;

(2) reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and

(3) reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

董事透過(其中包括)以下方式持續發展及更新知識及技能:

(1) 參與本公司及/或專業機構及/或律師舉辦及/或安排有關(其中包括)企業管治、董事職責及法律與規管變動的持續專業培訓講座及/或研討會及/或課程及/或工作坊;

(2) 本公司不時向董事提供有關法律及規管變動,以及董事履行其職責的相關事宜的閱讀資料;及

(3) 閱覽有關法律及規管變動,以及董事履行其職責相關事宜的新聞、期刊、雜誌及/或其他閱讀材料。

Name of Directors **董事姓名**		**Training received** **所接受培訓**
Executive Directors	**執行董事**	
Mr. Yang Eric Qing	楊慶先生	(1), (2), (3)
Mr. Ng Kwok Leung Frank	伍國樑先生	(1), (2), (3)
Non-executive Directors	**非執行董事**	
Mr. Liu Jiang	劉江先生	(1), (2), (3)
Ms. Fu Qiang	傅強女士	(1), (2), (3)
Mr. Fan Tai	樊泰先生	(1), (2), (3)
Mr. Chen Xian	陳弦先生	(2), (3)
Independent Non-executive Directors	**獨立非執行董事**	
Mr. Ge Xuan	葛旋先生	(1), (2), (3)
Mr. Lu Zhong	魯眾先生	(2), (3)
Mr. Cheung Chung Yan David*	張頌仁先生*	(1), (3)
Dr. Tyen Kan Hee Anthony*	田耕熹博士*	(1), (2), (3)

* Dr. Tyen Kan Hee Anthony was appointed as an independent non-executive Director with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be an independent non-executive Director on the same day.

* 田耕熹博士獲委任為獨立非執行董事,自二零一八年三月二十七日起生效。同日,張頌仁先生不再擔任獨立非執行董事。

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination and Corporate Governance Committee, and the Risk Management Committee, for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

董事委員會

董事會已成立四個委員會，即審核委員會、薪酬委員會、提名及企業管治委員會以及風險管理委員會，以監督本公司事務具體內容。該等委員會均有特定的書面職權範圍。有關人士可於本公司及聯交所網站查閱董事委員會的職權範圍。

Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, review and approve connected transactions and provide advice and comments to the Board.

審核委員會

本公司已根據上市規則第3.21條及企業管治守則設立審核委員會。審核委員會的主要職責是檢討及監督本集團的財務申報過程及內部監控系統；檢討及批准關連交易及向董事會提供意見及建議。

During the year ended 31 December 2018, the Audit Committee consisted of three members: Dr. Tyen Kan Hee Anthony (who took up the position of the chairman of the Audit Committee from 27 March 2018 when Mr. Cheung Chung Yan David resigned as the chairman of the Audit Committee on the same day), Mr. Fan Tai and Mr. Ge Xuan. Mr. Fan is a non-executive Director and Dr. Tyen and Mr. Ge are independent non-executive Directors.

於截至二零一八年十二月三十一日止年度，審核委員會由三名成員組成：田耕熹博士(彼自二零一八年三月二十七日起擔任審核委員會主席；同日，張頌仁先生辭任審核委員會主席)、樊泰先生及葛旋先生。樊先生為非執行董事，而田博士及葛先生為獨立非執行董事。

During the year ended 31 December 2018, the Audit Committee held two meetings. The attendance record of the Audit Committee members is set out in the table below:

於截至二零一八年十二月三十一日止年度，審核委員會已舉行兩次會議。審核委員會成員的會議出席記錄載於下表：

Name of Committee Member		Number of Meetings attended/held during the year ended 31 December 2018	Attendance rate
委員會成員姓名		於截至二零一八年十二月三十一日止年度出席／舉行會議次數	出席率
Dr. Tyen Kan Hee Anthony*	田耕熹博士*	1/1	100%
Mr. Cheung Chung Yan David*	張頌仁先生*	1/1	100%
Mr. Fan Tai	樊泰先生	2/2	100%
Mr. Ge Xuan	葛旋先生	2/2	100%

* Dr. Tyen Kan Hee Anthony was appointed as the chairman of the Audit Committee with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be the chairman of the Audit Committee on the same day.

* 田耕熹博士獲委任為審核委員會主席，自二零一八年三月二十七日起生效。同日，張頌仁先生不再擔任審核委員會主席。

During the meetings, the Audit Committee met with the external auditor and reviewed the financial results and reports of the Company for the year ended 31 December 2017 and the six months ended 30 June 2018.

會議期間，審核委員會與外聘核數師會晤並審閱本公司截至二零一七年十二月三十一日止年度及截至二零一八年六月三十日止六個月的財務業績及報告。

In accordance with the amendment of code provision C.3.2 of the Corporate Governance Code, as approved by the Board, the Company revised the terms of reference of the Audit Committee to extend the cooling off period for former partners of the Company's audit firm to act as a member of the Company's audit committee from one year to two years.

根據企業管治守則的守則條文第C.3.2條的修訂本，董事會批准本公司修訂審核委員會的職權範圍，以延長本公司核數師事務所前任合夥人作為本公司審核委員會成員的冷靜期，由一年修訂至兩年。

Remuneration Committee

薪酬委員會

The Company has established a Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

本公司已根據上市規則第3.25條及企業管治守則設立薪酬委員會。薪酬委員會的主要職責是審核薪酬方案條款、應付董事及其他高級管理人員的花紅及其他補償，並就此向董事會提出建議。

During the year ended 31 December 2018, the Remuneration Committee consisted of three members: Mr. Lu Zhong, Dr. Tyen Kan Hee Anthony (who took up the position of a member of the Remuneration Committee from 27 March 2018 when Mr. Cheung Chung Yan David resigned as a member of the Remuneration Committee on the same day) and Mr. Ge Xuan, all being independent non-executive Directors. Mr. Lu is the chairman of the Remuneration Committee.

於截至二零一八年十二月三十一日止年度，薪酬委員會由三名成員組成：魯眾先生、田耕熹博士(彼自二零一八年三月二十七日起擔任薪酬委員會成員；同日，張頌仁先生辭任薪酬委員會成員)及葛旋先生，彼等均為獨立非執行董事。魯先生為薪酬委員會主席。

During the year ended 31 December 2018, the Remuneration Committee held one meeting and approved the remuneration of Dr. Tyen Kan Hee Anthony, the new independent non-executive Director. The attendance record of the Remuneration Committee members is set out in the table below:

於截至二零一八年十二月三十一日止年度，薪酬委員會已舉行一次會議並批准新獨立非執行董事田耕熹博士的薪酬。薪酬委員會成員的會議出席記錄載於下表：

Name of Committee Member	委員會成員姓名	Number of Meetings attended/held during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度出席／舉行會議次數	Attendance rate 出席率
Mr. Lu Zhong	魯眾先生	1/1	100%
Dr. Tyen Kan Hee Anthony*	田耕熹博士*	N/A 不適用	N/A 不適用
Mr. Cheung Chung Yan David*	張頌仁先生*	1/1	100%
Mr. Ge Xuan	葛旋先生	1/1	100%

* Dr. Tyen Kan Hee Anthony was appointed as a member of the Remuneration Committee with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be a member of the Remuneration Committee on the same day.

* 田耕熹博士獲委任為薪酬委員會成員，自二零一八年三月二十七日起生效。同日，張頌仁先生不再擔任薪酬委員會成員。

The remuneration of the members of senior management by band for the year ended 31 December 2018 is set out below:

截至二零一八年十二月三十一日止年度高級管理層的薪酬範圍載列如下：

Remuneration bands (RMB) 薪酬範圍(人民幣元)	Number of persons 人數
0–1,000,000	0
1,000,001–2,000,000	2
2,000,001–3,000,000	0
3,000,001–4,000,000	1
Total 總計	3

Further particulars regarding Directors' remuneration and the five highest paid employees are set out in Note 11 to the consolidated financial statements contained in this Annual Report.

有關董事薪酬及五名最高薪僱員的進一步詳情載列於本年報綜合財務報表附註11。

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

提名及企業管治委員會

The Company has established a Nomination and Corporate Governance Committee in compliance with the Corporate Governance Code. The primary duties of the Nomination and Corporate Governance Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession.

本公司已根據企業管治守則設立提名及企業管治委員會。提名及企業管治委員會的主要職責是就董事委任及董事會繼任管理向董事會提出建議。

During the year ended 31 December 2018, the Nomination and Corporate Governance Committee consisted of 5 members: Mr. Yang Eric Qing, Dr. Tyen Kan Hee Anthony (who took up the position of a member of the Nomination and Corporate Governance Committee from 27 March 2018 when Mr. Cheung Chung Yan David resigned as a member of the Nomination and Corporate Governance Committee on the same day), Mr. Chen Xian, Mr. Lu Zhong and Mr. Ge Xuan. Mr. Yang is an executive Director, Mr. Chen is a non-executive Director, Dr. Tyen, Mr. Lu and Mr. Ge are independent non-executive Directors. Mr. Yang is the chairman of the Nomination and Corporate Governance Committee.

於截至二零一八年十二月三十一日止年度，提名及企業管治委員會由五名成員組成：楊慶先生、田耕熹博士(彼自二零一八年三月二十七日起擔任提名及企業管治委員會成員；同日，張頌仁先生辭任提名及企業管治委員會成員)、陳弦先生、魯眾先生及葛旋先生。楊先生為執行董事，陳先生為非執行董事，而田博士、魯先生及葛先生為獨立非執行董事。楊先生為提名及企業管治委員會主席。

During the year ended 31 December 2018, the Nomination and Corporate Governance Committee held one meeting. The attendance record of the Nomination and Corporate Governance Committee members is set out in the table below:

於截至二零一八年十二月三十一日止年度，提名及企業管治委員會已舉行一次會議。提名及企業管治委員會成員的會議出席記錄載於下表：

Name of Committee Member 委員會成員姓名		Number of Meetings attended/held during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度出席／舉行會議次數	Attendance rate 出席率
Mr. Yang Eric Qing	楊慶先生	1/1	100%
Mr. Cheung Chung Yan David*	張頌仁先生*	1/1	100%
Mr. Chen Xian	陳弦先生	1/1	100%
Mr. Lu Zhong	魯眾先生	1/1	100%
Mr. Ge Xuan	葛旋先生	1/1	100%
Dr. Tyen Kan Hee Anthony*	田耕熹博士*	N/A 不適用	N/A 不適用

* Dr. Tyen Kan Hee Anthony was appointed as a member of Nomination and Corporate Governance Committee with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be a member of the Nomination and Corporate Governance Committee on the same day.

* 田耕熹博士獲委任為提名及企業管治委員會成員，自二零一八年三月二十七日起生效。同日，張頌仁先生不再擔任提名及企業管治委員會成員。

BOARD DIVERSITY POLICY

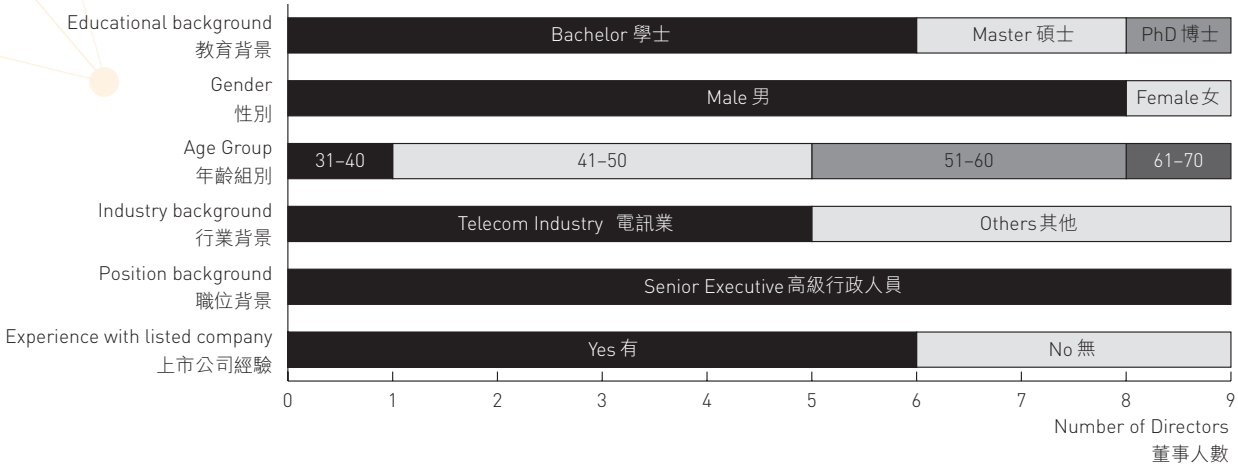
Code provision A.5.6 of Appendix 14 of the Listing Rules stipulates that a policy concerning diversity of board members should be adopted. The Company adopted the Board diversity policy (the "**Board Diversity Policy**") on 27 March 2015. The Nomination and Corporate Governance Committee also reviewed and agreed on measurable objectives for implementing diversity on the Board. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The measurable objectives identified by the Nomination and Corporate Governance Committee include: a material number of Board members should have served as senior management with companies; certain Board members should have experience with listed companies; and certain Board members should have experience with conducting businesses in the telecommunications industry. The Nomination and Corporate Governance Committee is satisfied that the composition of the Board is sufficiently diverse.

董事會成員多元化政策

上市規則附錄14第A.5.6條守則條文規定須採納有關董事會成員多元化的政策。本公司已於二零一五年三月二十七日採納董事會成員多元化政策(「**董事會成員多元化政策**」)。提名及企業管治委員會亦已審閱及同意實行董事會成員多元化的可計量目標。本公司尋求透過考慮多項因素來達致董事會成員多元化，該等因素包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能及知識。提名及企業管治委員會訂出的可計量目標包括：董事會大部份成員應於多間公司擔任高級管理層；若干董事會成員應具備於上市公司工作的經驗；及若干董事會成員應具備於電訊業開展業務的經驗。提名及企業管治委員會信納董事會的組成屬充分多元化。

As at the date of this annual report, the Board's composition under diversified perspectives was summarized as follows:

於本年報日期，董事會在多元化角度下的組成概述如下：



Notes:

PhD : Doctor of Philosophy
Master : Master Degree
Bachelor : Bachelor Degree

註：

博士：哲學博士
碩士：碩士學位
學士：學士學位

The Board is responsible for performing the following corporate governance duties as required under the Corporate Governance Code:

- to develop and review the Company's policies and practice on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

董事會在企業管治守則的規定下，負責履行下列企業管治職責：

- 建立並檢討本公司企業管治政策與常規；
- 檢討並監察董事及高級管理層的培訓及持續專業發展情況；
- 檢討並監察本公司政策與常規是否符合法律與法規的要求；
- 制定、檢討並監察適用於員工與董事的行為守則及合規指南；及
- 檢討本公司是否符合企業管治守則和企業管治報告的披露準則。

During the year, the Nomination and Corporate Governance Committee reviewed and discussed the following nomination and corporate governance matters:

- the re-appointment of Directors which was approved by the Board on 27 March 2018;
- the appointment of a new independent non-executive Director and the resignation of an independent non-executive Director which was approved on 27 March 2018;
- the assessment of the independence of independent non-executive Directors; and
- the draft reports of the Environmental, Social and Governance Report and the Corporate Governance Report of the Group for the year ended 31 December 2017.

年內，提名及企業管治委員會已檢討並討論以下提名及企業管治事務：

- 於二零一八年三月二十七日，董事會已批准董事重選。
- 於二零一八年三月二十七日批准委任一名新獨立非執行董事及一名獨立非執行董事辭任；
- 獨立非執行董事的獨立性評估；及
- 截至二零一七年十二月三十一日止年度的環境、社會及管治報告及本集團企業管治報告的報告草擬本。

DIRECTOR NOMINATION POLICY

Amended code provision L.(d)(ii) of the Corporate Governance Code stipulates that a nomination policy should be formulated and adopted, and the Company adopted a nomination policy accordingly. The main contents of the nomination policy are set out below:

Selection Criteria

In evaluating and selecting any candidate for directorship, the following criteria (among other things) should be considered:

(a) Character and integrity.

(b) Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy.

(c) Any measurable objectives adopted for achieving diversity on the Board.

(d) Requirement for the Board to have independent Directors in accordance with the Listing Rules, and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.

(e) Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.

董事提名政策

企業管治守則的經修訂守則條文第L.(d)(ii)條規定應制定並採納提名政策，而本公司據此採納提名政策。提名政策的主要內容載列如下：

選任標準

於評估及選任任何候選人擔任董事時，應考慮下列標準(其中包括)：

(a) 品格與誠信。

(b) 資格，包括專業資格、技能、知識及與本公司業務及企業策略相關的經驗，以及董事會成員多元化政策所提述的多元化因素。

(c) 為達致董事會成員多元化而採納的任何可計量目標。

(d) 根據上市規則，董事會須包括獨立董事的規定，以及參考上市規則內載列候選人是否被視為獨立的獨立性指引。

(e) 候選人的資格、技能、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻。

(f) Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.

(g) Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination and Corporate Governance Committee from time to time for nomination of Directors and succession planning.

Nomination Procedures

(a) Appointment of New Director

(i) The Nomination and Corporate Governance Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate with reference to the criteria as set out above to determine whether such candidate is qualified for directorship;

(ii) If the process yields one or more desirable candidates, the Nomination and Corporate Governance Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);

(iii) The Nomination and Corporate Governance Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable;

(iv) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination and Corporate Governance Committee and/or the Board should evaluate such candidate with reference to the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination and Corporate Governance Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

(f) 願意及能夠投放足夠時間履行身為本公司董事會及／或董事委員會成員的職責。

(g) 其他適用於本公司業務及繼任計劃的觀點，董事會及／或提名及企業管治委員會可於適用時因應提名董事及繼任規劃不時採納及／或修訂有關觀點。

提名程序

(a) 委任新董事

(i) 提名及企業管治委員會及／或董事會應在收到委任新董事的建議及候選人的個人資料(或相關詳情)，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事；

(ii) 倘過程涉及一個或多個合意的候選人，提名及企業管治委員會及／或董事會應根據本公司的需要及每位候選人的資歷審查(如適用)排列他們的優先次序；

(iii) 提名及企業管治委員會應就委任合適人選擔任董事一事向董事會提出建議(如適用)；

(iv) 就任何經由股東提名於本公司股東大會上選任為董事的人士，提名及企業管治委員會及／或董事會應根據上述標準評估該候選人，以判斷該候選人是否合資格擔任董事。

提名及企業管治委員會及／或董事會應就於股東大會上選任董事的提案向股東提出建議(如適用)。

(b) Re-election of Director at General Meeting

(i) The Nomination and Corporate Governance Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board;

(ii) The Nomination and Corporate Governance Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above;

(iii) The Nomination and Corporate Governance Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Nomination and Corporate Governance Committee will conduct regular review on the structure, size and composition of the Board and this policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

Risk Management Committee

The Company has established a Risk Management Committee. The primary duties of the Risk Management Committee are to formulate policies on risk management matters and to advise on matters raised by the Directors and the management that may have an impact on the stability and integrity of the securities and derivatives markets of Hong Kong.

During the year ended 31 December 2018, the Risk Management Committee consisted of 5 members: Mr. Ng Kwok Leung Frank, Mr. Ge Xuan, Mr. Lu Zhong, Ms. Fu Qiang and Dr. Tyen Kan Hee Anthony (who took up the position of a member of the Risk Management Committee from 27 March 2018 when Mr. Cheung Chung Yan David resigned as a member of the Risk Management Committee on the same day). Mr. Ng is an executive Director, Ms. Fu is a non-executive Director, Mr. Lu, Dr. Tyen and Mr. Ge are independent non-executive Directors. Mr. Ng is the chairman of the Risk Management Committee.

(b) 於股東大會上重選董事

(i) 提名及企業管治委員會及/或董事會應檢討退任董事對本公司的整體貢獻及服務,以及在董事會的參與程度及表現;

(ii) 提名及企業管治委員會及/或董事會亦應檢討及確定退任董事是否仍然符合上述標準;

(iii) 提名及企業管治委員會及/或董事會應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選任或重選某候選人為董事,隨附有關股東大會通告的致股東通函及/或說明函件中,將會按上市規則及/或相關適用法律及法規要求載列候選人的有關資料。

提名及企業管治委員會將定期為董事會的架構、規模及組成及本政策進行檢討,並在有需要時向董事會提出修訂建議,以完善企業策略及切合業務需要。

風險管理委員會

本公司已設立風險管理委員會,其主要職責是制訂風險管理事項的政策,並就董事及管理層所提出可能影響香港證券及衍生工具市場的穩定及廉潔的事項提出建議。

於截至二零一八年十二月三十一日止年度,風險管理委員會由五名成員組成:伍國樑先生、葛旋先生、魯眾先生、傅強女士及田耕熹博士(彼自二零一八年三月二十七日起擔任風險管理委員會成員;同日,張頌仁先生辭任風險管理委員會成員)。伍先生為執行董事,傅女士為非執行董事,魯先生、田博士及葛先生均為獨立非執行董事。伍先生為風險管理委員會主席。

During the year ended 31 December 2018, the Risk Management Committee held one meeting. The attendance record of the Risk Management Committee members is set out in the table below:

於截至二零一八年十二月三十一日止年度，風險管理委員會舉行了一次會議。風險管理委員會成員的會議出席記錄載於下表：

Name of Committee Member		Number of Meetings attended/held during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度出席／舉行會議次數	Attendance rate
委員會成員姓名			出席率
Mr. Ng Kwok Leung Frank	伍國樑先生	1/1	100%
Ms. Fu Qiang	傅強女士	0/1	0%
Mr. Lu Zhong	魯眾先生	1/1	100%
Mr. Ge Xuan	葛旋先生	1/1	100%
Dr. Tyen Kan Hee Anthony*	田耕熹博士*	N/A 不適用	N/A 不適用
Mr. Cheung Chung Yan David*	張頌仁先生*	1/1	100%

* Dr. Tyen Kan Hee Anthony was appointed as a member of Risk Management Committee with effect from 27 March 2018 when Mr. Cheung Chung Yan David ceased to be a member of the Risk Management Committee on the same day.

* 田耕熹博士獲委任為風險管理委員會成員，自二零一八年三月二十七日起生效。同日，張頌仁先生不再擔任風險管理委員會成員。

During the meeting, the Risk Management Committee reviewed and discussed the internal control review report prepared by an external professional firm, and the financial control and risk management system of the Group.

會議期間，風險管理委員會審閱及討論了外部專業公司編製的內部監控檢討報告及本集團的財務控制及風險管理系統。

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

董事就財務報表承擔的責任

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

董事確認彼等有責任編製本公司截至二零一八年十二月三十一日止年度的財務報表。

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

董事並不知悉任何可引起對本公司持續經營能力重大疑問的重大不明朗事件或狀況。

AUDITORS' RESPONSIBILITY AND REMUNERATION

The Company appointed Grant Thornton Hong Kong Limited ("**Grant Thornton**") as the external auditor for the year ended 31 December 2018. A statement by Grant Thornton about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 112 to 118 of this annual report.

The remuneration paid/payable to Grant Thornton in respect of audit services and non-audit services for the year ended 31 December 2018 amounted to RMB1,400,000 and RMB939,000, respectively. The non-audit services mainly include the review of the interim financial statements of the Company, reporting accountant's work on the Group's acquisitions and tax compliance services.

核數師責任及薪酬

截至二零一八年十二月三十一日止年度，本公司已委聘致同(香港)會計師事務所有限公司(「**致同**」)為外聘核數師。致同就其於財務報表的申報責任所發出聲明載於本年報第112至118頁的獨立核數師報告。

截至二零一八年十二月三十一日止年度，就審計服務及非審計服務已付/應付致同的酬金分別為人民幣1,400,000元及人民幣939,000元。非審計服務主要包括審閱本公司中期財務報表、申報會計師就本集團收購的工作及稅務合規服務。

RISK MANAGEMENT AND INTERNAL CONTROLS

During the year ended 31 December 2018, a review of the effectiveness of the Group's risk management and internal control system which covers the aspects of the effectiveness of the Company's risk management and internal control system and management procedure, was conducted by our Internal Audit Department (the "**IA Department**") (which is being strengthened in order to cope with the challenges ahead faced by the Group). Such review is conducted on a continual basis. The Board considered the risk management and internal control system of the Company to be effective and the resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions are adequate.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

We have established internal control policies and risk management systems covering our internal control environment, risk assessment, information and communication, monitoring, anti-cheating programs, revenue and receivables, purchase and payables, information security and intellectual property rights, financial management, financial reports, fixed and intangible assets, human resources, taxation, investment, legal management and research and development. We have also established the Risk Management Committee on the Board to oversee the Group's risk management, risk tolerance and governance.

風險管理與內部監控

於截至二零一八年十二月三十一日止年度，內部審核部門(「**內審部門**」)(正予加強以配合本集團於未來所迎向的挑戰)已檢討本集團的風險管理及內部監控系統(包含本公司風險管理及內部監控系統及管理程序的成效)，並進行持續的審閱。董事會認為本公司的風險管理及內部監控系統行之有效，而本公司在會計、內部審核及財務滙報職能方面的資源、員工資歷及經驗、培訓課程及有關預算足夠。

董事會確認其負責風險管理及內部監控系統及審閱其有效性。該等系統旨在管理而非消除未能實現業務目標的風險，以及僅能提供合理及非絕對保證避免重大失誤或損失。

我們已制定內部監控政策及風險管理系統，包括管理內部監控環境、風險評估、信息和通訊、監控、防作弊程序、收入及應收款項、採購及應付款項、信息安全及知識產權、財務管理、財務報告、固定及無形資產、人力資源、稅項、投資、法律管理及研發。我們亦於董事會成立風險管理委員會，以監察本集團風險管理、風險承受及管治。

To manage the risks regarding inside information, we have adopted the Model Code as the Company's own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all members of the Board complied with the Model Code during the year ended 31 December 2018. Senior management, executives and staff who, because of their offices in the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during the year ended 31 December 2018.

為了管理有關內幕消息的風險，我們已採納標準守則作為本公司董事買賣公司證券的守則。本公司經向全體董事作出特定查詢後確認，截至二零一八年十二月三十一日止年度，董事會所有成員均遵守標準守則。由於高級管理層、行政人員及僱員因其於本公司的職務而很可能擁有內幕消息，故本公司亦要求彼等遵守進行證券交易的標準守則。截至二零一八年十二月三十一日止年度，本公司並未發現該等僱員有違反標準守則事件。

During the year, the IA Department has performed internal audit and reviewed the internal control system of the Group to ensure the effectiveness of internal control procedures and strict compliance with different standards and policies across different businesses and operations of the Group.

年內，內審部門已進行內部審核及檢討本集團內部監控系統以確保其內部監控程序的有效性及嚴格遵守本集團針對於不同業務及經營採用的不同標準及政策。

The Directors are of the view that we have established procedures, systems and controls that provide a reasonable basis to make a proper assessment of the financial conditions and prospects of the Group on an ongoing basis.

董事認為，我們已制定能為持續適當評估本集團財務狀況及前景提供合理基準的程序、系統及控制。

COMPANY SECRETARY

During the period from 1 January 2018 to 24 May 2018, Ms. Li Jin was the joint company secretary of the Company, and was responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed. Ms. Li Jin resigned as the joint company secretary of the Company with effect from 25 May 2018. Following Ms. Li Jin's resignation, Ms. Ng Sau Mei, the other joint company secretary, an associate director of TMF Hong Kong Limited (a company secretarial services provider), serves as the sole company secretary of the Company and continues to perform and discharge the duties of a company secretary under the Listing Rules. Her primary contact person at the Company is Ms. Xiao Yundan, head of the legal department of the Company.

During the year ended 31 December 2018, Ms. Ng Sau Mei has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

公司秘書

於二零一八年一月一日至二零一八年五月二十四日期間，栗璿女士為本公司聯席公司秘書，負責就企業管治事宜向董事會建議，確保遵守董事會政策及程序、適用法律、規例及法規。栗璿女士於二零一八年五月二十五日辭任本公司聯席公司秘書。栗璿女士辭任後，另一名聯席公司秘書伍秀薇女士(達盟香港有限公司(公司秘書服務提供商)副董事)擔任本公司唯一的公司秘書，並繼續執行及履行上市規則規定的公司秘書職責。彼於本公司的主要聯絡人為本公司法律部門負責人肖雲丹女士。

於截至二零一八年十二月三十一日止年度，伍秀薇女士已根據上市規則第3.29條進行不少於15小時的相關專業培訓。

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings by Shareholders

Pursuant to article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene extraordinary general meetings. General meetings shall also be convened on the written requisition of any two or more Shareholders deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

General meetings may also be convened on the written requisition of a Shareholder which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

股東權利

股東召開股東特別大會的權利

根據組織章程細則第12.3條，董事會可在其認為適當情況下召開股東特別大會。本公司任何兩名或以上股東在本公司香港主要辦事處或倘本公司不再擁有該主要辦事處，則在註冊辦事處遞交書面要求，列明召開該股東大會的目的並由提出要求人士簽署，惟該等提出要求人士須於遞交要求日期持有附帶本公司股東大會投票權的本公司實繳股本不少於十分之一。

本身為認可結算所(或其代名人)的任何一名股東亦可以書面要求召開股東大會，該股東須在本公司香港主要辦事處或倘本公司不再擁有該主要辦事處，則在註冊辦事處遞交書面要求，列明召開該股東大會的目的並由提出要求人士簽署，惟該等提出要求人士須於遞交要求日期持有附帶本公司股東大會投票權的本公司實繳股本不少於十分之一。

倘若董事會於接獲要求日期起計21天內未有著手正式召開於隨後21天內舉行的股東大會，則提出要求人士本身或其中佔彼等所有投票權超過一半的任何人士可按由董事會召開大會的相同方式或盡可能接近的方式召開股東大會，惟以此方式召開的任何大會不得於遞交要求日期起計三個月期間屆滿後舉行，而提出要求人士因董事會未有召開大會而產生的一切合理開支將由本公司向彼等作出彌償。

Putting Forward Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 19/F, Tower B Fairmont, No. 1 Building, 33# Community, Guangshun North Street, Chaoyang District, Beijing
For the attention of the Board of Directors
Fax: +86 10 8472 5350
Email: ir@ourgame.com

股東向董事會提出查詢及聯絡詳情

就向本公司董事會提出任何查詢，股東可向本公司寄發書面查詢。一般而言，本公司不會處理口頭或匿名查詢。

股東可將上述書面查詢或要求發送至：

地址： 北京市朝陽區廣順北大街33號福碼大廈1號樓B座19樓(註明收件人為董事會)
傳真： +86 10 8472 5350
郵箱： ir@ourgame.com

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the AGM, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

股東通訊及投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者了解本集團業務表現及策略相當重要。本公司盡力保持與股東之間的持續對話，尤其是透過股東週年大會及其他股東大會。董事(或彼等的代表，如適合)將出席股東週年大會與股東會面及解答其疑問。

DIVIDEND POLICY

Amended code provision E.1.5 of the Corporate Governance Code stipulates that a dividend policy should be formulated and adopted, and the Company adopted a dividend policy accordingly. The main principles and guidelines of the dividend policy are set out below:

(a) The Company does not have any pre-determined dividend payout ratio.

(b) The Board has the discretion to declare and distribute dividends to the shareholders of the Company subject to the requirements of the Articles of the Association, Cayman Islands law and other applicable laws and regulations and the dividend policy.

股息政策

企業管治守則的經修訂守則條文第E.1.5條規定應制定並採納股息政策，而本公司據此採納股息政策。股息政策的主要原則及指引載列如下：

(a) 本公司沒有任何預設的派息比率。

(b) 根據組織章程細則、開曼群島法律及其他適用法律法規及股息政策的規定，董事會有權宣派及分派股息予本公司股東。

(c) The Board shall have regard to the factors of the Group, including past financial results, past and forecasted cash flows, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on payment of dividends (including contractual restrictions, i.e. from financing-related agreements) and any other factors that the Board may consider relevant, when considering the declaration and payment of dividends.

(d) Depending on the financial conditions of the Company and the Group and the principles and factors set out herein, dividends may be proposed and/or declared by the Board for a financial year or period in the form of an interim dividend, a final dividend, a special dividend and/or any distribution of net profits that the Board may deem appropriate. Any final dividend for a financial year will be subject to shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

(e) Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association.

(f) Any final dividend for a financial year will be subject to shareholders' approval.

(g) The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

For the avoidance of doubt, there is no assurance that dividends will be paid in any particular amount for any given period notwithstanding the adoption of this policy. If the Board decides to recommend, declare or pay dividends, the form, frequency and amount will depend upon the situation and applicable factors at the relevant time. The Board will review this policy as appropriate from time to time.

(c) 於考慮宣派及派付股息時，董事會應考慮本集團因素，包括過往財務業績、過往及預測現金流量、業務狀況及策略、未來營運及盈利、資本需求及開支計劃、股東權益、任何股息支付限制(包括合約限制，即融資相關協議的限制)及董事會認為有關的任何其他因素。

(d) 視乎本公司及本集團的財政狀況以及本文所載的原則及因素，董事會可於財政年度或期間以中期股息、末期股息、特別股息及／或董事會認為適當的任何淨利潤分派形式建議及／或宣派股息。任何財政年度的末期股息均須由股東批准。本公司可以現金或代息股份或董事會認為合適的其他形式宣派及派付股息。

(e) 任何未領取的股息應被沒收及應根據組織章程細則復歸本公司。

(f) 任何財政年度的末期股息均須由股東批准。

(g) 本公司可以現金或代息股份或董事會認為合適的其他形式宣派及派付股息。

為免生疑問，儘管採納本政策，概不保證將於任何特定期間內支付任何特定金額的股息。倘董事會決定建議、宣派或派付股息，則其形式、頻率及金額將取決於有關時間的情況及適用因素。董事會將不時審查該政策(如適用)。

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2018, the Company did not make any significant changes to its constitutional documents. The latest version of the Company's Memorandum and Articles of Association is available on the websites of the Company and the Stock Exchange.

憲章文件變動

於截至二零一八年十二月三十一日止年度，本公司並無對其憲章文件作出重大修改。本公司組織章程大綱及細則的最新版本可於本公司網站及聯交所網站查閱。

Independent Auditor's Report
獨立核數師報告

Grant Thornton
致同

To the members of Ourgame International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

致聯眾國際控股有限公司
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Ourgame International Holdings Limited (the "Company" and its subsidiaries (together, the "Group" set out on pages 119 to 296 which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

吾等已審核列載於第119至296頁的聯眾國際控股有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)的綜合財務報表，此財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實及公平地反映　貴集團於二零一八年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥善編製。

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見基準

吾等已根據國際審計準則(「國際審計準則」)進行審核。吾等於該等準則項下的責任於吾等所作報告核數師有關綜合財務報表的責任一節進一步詳述。吾等根據國際會計師職業道德準則理事會頒佈的專業會計師職業道德規範(「國際會計師職業道德準則理事會規範」)獨立於　貴集團，且吾等根據國際會計師職業道德準則理事會規範履行其他道德責任。吾等相信，吾等獲得的審計證據乃足以及適用於為吾等的意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審計事項

關鍵審計事項是指，依據我們的專業判斷，在我們審計當前期間綜合財務報表中最具重要性的審計事項。該等事項在我們審計整體綜合財務報表及形成我們的意見時予以解決，但我們並未就該等事項提供單獨的意見。

Key audit matters identified in our audit are summarised as follows:

我們審計中發現的關鍵審計事項概述如下：

Impairment assessment of goodwill and other intangible assets arising from the acquisitions of subsidiaries

收購附屬公司產生的商譽及其他無形資產的減值評估

Refer to notes 2.7, 2.8, 4.1(f), 13, 14, 34(a) and 40 to the consolidated financial statements.
見綜合財務報表附註2.7、2.8、4.1(f)、13、14、34(a)及40。

Key Audit Matter **關鍵審計事項**	**How the matter was addressed in our audit** **我們審計中如何處理有關事項**
As at 31 December 2018, the Group's goodwill and other intangible assets comprised mainly: — goodwill of RMB99,609,000 and other intangible assets of RMB204,766,000 arising from the acquisition of the Peerless Group in 2015; — goodwill of RMB6,239,000 arising from the acquisition of the Beijing Zhangzhong Qiji Technology Co., Limited ("Beijing Zhangzhong Qiji") in 2017; and — goodwill of RMB74,394,000 and other intangible assets of RMB121,050,000 arising from the acquisition of 南京好運美成電子科技有限公司 (Nanjing Haoyun Meicheng Electronics Co., Ltd.) in 2018. The Group's assessment of impairment of the goodwill and other intangible assets based on value-in-use model which requires significant judgements and estimations in the cash flow forecasts associated with the cash generating units ("CGUs"). We identified the impairment assessment of goodwill and other intangible assets arising from the acquisitions as key audit matter because of their significance to the consolidated financial statements and the level of subjectivity associated with the assumptions used in estimating the recoverable amount of the CGUs, including cash flows forecast, growth rate used to extrapolate the cash flows and the rate at which they are discounted.	Our procedures in relation to the impairment assessment of goodwill and other intangible assets included: — Assessing the integrity of the valuation model. — Reviewing the cash flow forecast of the CGUs prepared by the management. — Assessing the reasonableness of key assumptions (including operating margins, terminal growth rates and discount rates) based on our knowledge of the business and industry and taking into account of the accuracy of previous forecasts and historical information. — Testing the management's sensitivity calculations by applying our own sensitivity analysis to the cash flows forecast, long-term growth rates and discount rates to ascertain the extent to which reasonable adverse changes would, either individually or in aggregate require an impairment of either the goodwill or other intangible assets.
於二零一八年十二月三十一日　貴集團商譽及其他無形資產主要包括： — 於二零一五年收購Peerless集團產生的商譽人民幣99,609,000元及收購產生的其他無形資產人民幣204,766,000元； — 於二零一七年收購北京掌中奇跡科技有限公司(「北京掌中奇跡」)產生的商譽人民幣6,239,000元；及 — 於二零一八年收購南京好運美成電子科技有限公司產生的商譽人民幣74,394,000元及收購產生的其他無形資產人民幣121,050,000元。 貴集團基於使用價值模式評估商譽減值及其他無形資產，該模式須對有關現金產生單位(「現金產生單位」)的現金流量預測作出重大判斷及估計。 我們之所以將收購事項的商譽及其他無形資產減值評估列作關鍵審計事項，是因為其對綜合財務報表的重要性以及與在估計現金產生單位的可收回金額過程中所採用的假設有關的主觀性程度，包括現金流量預測、推斷現金流量所採用的增長率及其貼現率。	我們關於商譽及其他無形資產的減值估計的程序包括： — 評估估值模式的完整性。 — 檢討管理層編製的現金產生單位現金流量預測。 — 基於我們的業務及行業知識以及計及過往預測的準確性及歷史資料評估主要假設的合理性(包括經營利潤率、期末增長率及貼現率)。 — 通過運用我們自身的敏感度分析至現金流量預測、長期增長率及貼現率來檢驗管理層的敏感度計算，以確定合理的不利變動需要(不論個別或合計)對商譽或其他無形資產計提減值的程度。

Provision for expected credit lossses ("ECL") of financial assets

金融資產的預期信貸虧損(「預期信貸虧損」)撥備

Refer to notes 2.10, 4.1(b) and 40 to the consolidated financial statements.
見綜合財務報表附註2.10、4.1(b)及40。

Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們審計中如何處理有關事項
For the year ended 31 December 2018, the Group recognised expected credit losses ("ECL") on financial assets (including trade and other receivables, loans to associates and third parties and amounts due from associates) amounting to RMB147,454,000. ECL are based on management's estimates of the ECL to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue receivables, debtors' repayment history and debtors' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgments. We identified the ECL assessment of financial assets as a key audit matter because the assessing ECL of financial assets is a subjective area as it requires the management's judgements and uses of estimates.	Our procedures in relation to the ECL on financial assets included: — reviewing and assessing the application of the Group's policy for calculating the ECL; — evaluating techniques and methodology in the ECL model against the requirements of IFRS 9; — assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances; — evaluating the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimation of ECL; and — discussing with the management the estimates of the recoverable amounts for those significant financial assets, including debtors' payment history and current ability to pay, and taking into account information specific to the debtors as well as pertaining to the economic environment in which the debtor operates.
截至二零一八年十二月三十一日止年度，貴集團確認金融資產(包括貿易及其他應收款項、給予聯營公司及第三方的貸款以及應收聯營公司款項)的預期信貸虧損(「預期信貸虧損」)人民幣147,454,000元。 預期信貸虧損乃根據管理層對將產生的預期信貸虧損的估計計算，其考慮信貸虧損經驗、逾期應收款項的賬齡、債務人的還款記錄及債務人的財務狀況以及對現時及預測整體經濟狀況的估計，各項均涉及管理層的重要判斷。 我們之所以將金融資產的預期信貸虧損評估列作關鍵審計事項，是因為金融資產預期信貸虧損的評估屬主觀範疇，此乃由於其需要管理層的判斷及運用估計。	我們關於金融資產預期信貸虧損的程序包括： — 檢討及評估　貴集團計算預期信貸虧損政策的適用情況； — 對照國際財務報告準則第9號的規定評估預期信貸虧損模式的技術及方法； — 透過審閱管理層於達致該等估計時所使用的資料(包括測試過往既定數據的準確性、評估過往虧損率是否已根據當前經濟狀況及前瞻性資料作出適當調整以及審閱於當前財政年度所錄得的實際虧損，並評估是否有跡象顯示管理層於確認虧損撥備時出現偏差)評估管理層所作虧損撥備估計的合理性； — 評估規管信貸控制、債務收回及預期信貸虧損估計的關鍵內部控制的設計、執行及運作效能；及 — 與管理層討論有關重大金融資產可收回款項的估計(包括債務人的還款記錄及現時還款能力並考慮債務人的特定資料，及有關債務人營運所在的經濟環境的資料)。

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2018 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors assisted by the audit committee are responsible for overseeing the Group's financial reporting process.

其他資料

董事須對其他資料負責。其他資料包括 貴公司二零一八年年報內全部資料，但並無包括綜合財務報表及核數師對其作出的報告。

吾等就綜合財務報表發表的意見並無涵蓋其他資料，且吾等並無就其發表任何形式的擔保結論。

就吾等對綜合財務報表的審計而言，吾等的責任為審閱其他資料並於審閱時判斷其他資料是否於重大方面與綜合財務報表或吾等於審計過程中獲得的資料不一致，或於其他方面出現重大錯誤陳述。倘根據吾等已執行的工作，吾等認為該其他資料出現重大錯誤陳述，則吾等須報告事實。吾等就此並無須報告的事項。

董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

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

由審核委員會協助的董事須負責監督 貴集團的財務報告程序。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

核數師有關審計綜合財務報表的責任

吾等的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告，並僅向　閣下(作為整體)報告吾等的意見，除此之外別無其他目的。吾等概不就本報告的內容對任何其他人士負責或承擔責任。

合理保證為高水平的保證，但不能保證按照國際審計準則進行的審計總能於出現重大錯誤陳述時發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者根據綜合財務報表所作出的經濟決定，則有關錯誤陳述可被視作重大。

作為根據國際審計準則進行審計其中一環，吾等於審計過程中運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。

- 瞭解與審計相關的內部監控，以設計在有關情況下屬適當的審計程序，但目的並非對　貴集團內部監控的有效性發表意見。

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

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

- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關披露不足，則修訂吾等意見。吾等的結論乃基於直至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致　貴集團不能持續經營業務。

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

- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。

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

- 就　貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督及執行。吾等為審計意見承擔全部責任。

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

吾等與審核委員會溝通(其中包括)審計的計劃範圍及時間以及重大審計發現等，其中包括吾等在審計中識別出內部監控的任何重大不足之處。

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

吾等亦向審核委員會提交聲明，表明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

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

從與審核委員會溝通的事項中，吾等確定該等對本期間綜合財務報表的審計最為重要的事項，因而構成主要審核事項。吾等在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於吾等的報告中註明某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中註明該事項。

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Hong Kong

29 March 2019

Lin Ching Yee Daniel
Practising Certificate No.: P02771

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12樓

二零一九年三月二十九日

林敬義
執業證書號碼：P02771

Consolidated Statement of Profit or Loss and Other Comprehensive Income
綜合損益及其他全面收益表

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Restated) (重列)
CONTINUING OPERATIONS:	**持續經營業務：**			
Revenue	**收入**	5	**343,363**	377,758
Cost of revenue	收入成本		**(217,836)**	(255,710)
Gross profit	**毛利**		**125,527**	122,048
Other income	其他收益	6	**19,613**	43,453
Selling and marketing expenses	銷售及市場推廣費用		**(75,150)**	(153,349)
Administrative expenses	行政開支		**(371,292)**	(102,574)
Share-based compensation expense	以股份為基礎的酬金開支	30	**(29,037)**	(24,929)
Research and development expenses	研發費用		**(10,948)**	(38,328)
Finance costs	財務成本	7	**(2,271)**	(2,775)
Share of losses of associates	分佔聯營公司虧損	16	**(16,662)**	(4,554)
Fair value changes of financial assets at fair value through profit or loss	按公允值計入損益之金融資產之公允值變動	20	**8,151**	—
Fair value changes of contingent consideration payables	應付或然代價之公允值變動	25	**45,332**	6,873
Fair value changes of convertible notes	可換股票據之公允值變動	26	**(1,691)**	—
Impairment of assets	資產減值	40	**(230,969)**	—
Loss before income tax	**除所得稅前虧損**		**(539,397)**	(154,135)
Income tax credit/(expense)	所得稅抵免/（開支）	8	**15,456**	(4,697)
Loss for the year from continuing operations	**持續經營業務之年度虧損**	7	**(523,941)**	(158,832)
DISCONTINUED OPERATIONS:	**已終止經營業務：**			
(Loss)/Profit for the year from discontinued operations	**已終止經營業務之年度（虧損）／利潤**	39	**(173,572)**	115,876
Loss for the year	**年度虧損**		**(697,513)**	(42,956)
Other comprehensive income/(loss)	**其他全面收益／（虧損）**			
Item that may be subsequently reclassified to profit or loss:	其後可能重新分類至損益的項目：			
Currency translation differences	貨幣換算差額		**11,359**	(4,377)
Total comprehensive loss for the year	**年度全面虧損總額**		**(686,154)**	(47,333)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

綜合損益及其他全面收益表(續)

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Restated) (重列)
(Loss)/Profit for the year attributable to:	**以下應佔的年度(虧損)/利潤:**			
Equity holders of the Company	本公司權益持有人			
— Continuing operations	—持續經營業務		**(449,398)**	(139,872)
— Discontinued operations	—已終止經營業務		**(173,572)**	115,876
Non-controlling interests	非控股權益			
— Continuing operations	—持續經營業務		**(74,543)**	(18,960)
— Discontinued operations	—已終止經營業務		**—**	—
			(697,513)	(42,956)
Total comprehensive (loss)/income for the year attributable to:	**以下應佔年度全面(虧損)/收益總額:**			
Equity holders of the Company	本公司權益持有人			
— Continuing operations	—持續經營業務		**(439,315)**	(144,584)
— Discontinued operations	—已終止經營業務		**(173,572)**	115,876
Non-controlling interests	非控股權益			
— Continuing operations	—持續經營業務		**(73,267)**	(18,625)
— Discontinued operations	—已終止經營業務		**—**	—
			(686,154)	(47,333)
Earnings/(Loss) per share attributable to equity holders of the Company (expressed in RMB cents per share)	**本公司股權益持有人應佔每股盈利/(虧損)** (以每股人民幣分列示)			
Basic	基本	10		
— Continuing operations	—持續經營業務		**(41.45)**	(17.74)
— Discontinued operations	—已終止經營業務		**(16.01)**	14.70
			(57.46)	(3.04)
Diluted	攤薄	10		
— Continuing operations	—持續經營業務		**(41.45)**	(17.74)
— Discontinued operations	—已終止經營業務		**(16.01)**	14.70
			(57.46)	(3.04)

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transitions method chosen, comparative information is not restated. See note 3.

附註:本集團已於二零一八年一月一日初步應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選之過渡方法,可比較資料並無重列。見附註3。

The notes on pages 127 to 296 form part of these consolidated financial statements.

第127至296頁附註為該等綜合財務報表一部分。

Consolidated Statement of Financial Position
綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	**資產與負債**			
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	12	**160,888**	90,533
Intangible assets	無形資產	13	**333,556**	326,846
Goodwill	商譽	14	**180,441**	129,443
Interests in associates	於聯營公司之權益	16	**20,586**	102,915
Loans to associates	給予聯營公司之貸款	19	**—**	21,979
Loans to third parties	給予第三方之貸款	19	**15,110**	14,430
Available-for-sale financial assets	可供出售金融資產	20	**—**	154,344
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	20	**109,068**	—
Other non-current receivable	其他非流動應收款項	24	**—**	256
Deferred tax assets	遞延稅項資產	27	**1,726**	1,726
			821,375	842,472
Current assets	**流動資產**			
Inventories	存貨	17	**733**	1,235
Trade and other receivables	貿易及其他應收款項	18	**174,275**	402,400
Loans to associates	給予聯營公司之貸款	19	**1,756**	7,132
Loans to third parties	給予第三方之貸款	19	**56,974**	58,735
Available-for-sale financial assets	可供出售金融資產	20	**—**	20,000
Current portion of other non-current receivable	其他非流動應收款項之即期部分	24	**—**	38,872
Tax recoverable	可收回稅項		**3,348**	—
Bank balances and cash	銀行結餘及現金	21	**162,674**	247,366
			399,760	775,740
Assets included in disposal group classified as held for sale	計入分類為持作出售之出售組別之資產	39	**45,295**	—
			445,055	775,740
Current liabilities	**流動負債**			
Trade and other payables	貿易及其他應付款項	22	**95,547**	87,518
Deferred revenue	遞延收入	23	**26,419**	18,852
Contingent consideration payables	應付或然代價	25	**40,948**	3,328
Current portion of other non-current payable	其他非流動應付款項之即期部分	24	**—**	38,872
Convertible notes	可換股票據	26	**70,323**	—
Income tax liabilities	所得稅負債		**3,242**	9,675
			236,479	158,245
Liabilities included in disposal group classified as held for sale	計入分類為持作出售之出售組別之負債	39	**16,558**	—
			253,037	158,245
Net current assets	**流動資產淨值**		**192,018**	617,495
Total assets less current liabilities	**總資產減流動負債**		**1,013,393**	1,459,967

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

As at 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current liabilities	**非流動負債**			
Other non-current payable	其他非流動應付款項	24	**—**	256
Deferred tax liabilities	遞延税項負債	27	**33,419**	4,181
			33,419	4,437
Net assets	**淨資產**		**979,974**	1,455,530
EQUITY	**權益**			
Share capital	股本	28	**340**	285
Reserves	儲備	29	**963,042**	1,444,971
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		**963,382**	1,445,256
Non-controlling interests	非控股權益		**16,592**	10,274
Total equity	**權益總額**		**979,974**	1,455,530

Yang Eric Qing
楊慶
Director
董事

Ng Kwok Leung Frank
伍國樑
Director
董事

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transitions method chosen, comparative information is not restated. See note 3.

附註：本集團已於二零一八年一月一日初步應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選之過渡方法，可比較資料並無重列。見附註3。

The notes on pages 127 to 296 form part of these consolidated financial statements.

第127至296頁附註為該等綜合財務報表一部分。

Consolidated Statement of Changes in Equity
綜合權益變動表

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

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益										
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Statutory reserve 法定儲備 RMB'000 人民幣千元	Translation reserve 換算儲備 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Shares held under the Share Award Scheme 根據股份獎勵計劃持有之股份 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Sub-total 小計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 總權益 RMB'000 人民幣千元
Balance at 1 January 2017	**於二零一七年一月一日之結餘**	240	574,661	37,956	31,193	105,772	111,787	–	372,829	1,234,438	20,108	1,254,546
Total comprehensive income/(loss) for the year	**年度全面收益╱(虧損)總額**											
Loss for the year	年度虧損	–	–	–	–	–	–	–	(23,996)	(23,996)	(18,960)	(42,956)
Other comprehensive income for the year	年度其他全面收益											
Currency translation differences	貨幣換算差額	–	–	–	(4,712)	–	–	–	–	(4,712)	335	(4,377)
		–	–	–	(4,712)	–	–	–	(23,996)	(28,708)	(18,625)	(47,333)
Transactions with owners	**與擁有人交易**											
Share-based compensation (Note 30(e))	以股份為基礎的酬金(附註30(e))	–	–	–	–	24,929	–	–	–	24,929	–	24,929
Exercise of share options (Note 28(ii) & Note 30)	行使購股權(附註28(ii)及附註30)	–	405	–	–	(91)	–	–	–	314	–	314
Issuance of Convertibles Notes (Note 26)	發行可換股票據(附註26)	–	–	–	–	–	695	–	–	695	–	695
Conversion of Convertibles Notes into shares (Note 28(iii) & Note 26)	將可換股票據轉換為股份(附註28(iii)及附註26)	22	104,249	–	–	–	(695)	–	–	103,576	–	103,576
Issuance of shares (Note 28(iv))	發行股份(附註28(iv))	23	110,503	–	–	–	–	–	–	110,526	–	110,526
Transfer upon forfeiture of share options	於沒收購股權時轉撥	–	–	–	–	(1,502)	–	–	1,502	–	–	–
Appropriation to statutory reserve	分配至法定儲備	–	–	69	–	–	–	–	(69)	–	–	–
Capital injection from non-controlling interests	非控股權益注資	–	–	–	–	–	–	–	–	–	7,500	7,500
Deregistration of a subsidiary	終止註冊一間附屬公司	–	–	–	–	–	–	–	–	–	(90)	(90)
Disposal of a subsidiary (Note 35(a))	出售一間附屬公司(附註35(a))	–	–	–	–	–	–	–	–	–	1,381	1,381
Purchase of shares for Share Award Scheme (Note 30(d))	就股份獎勵計劃購買股份(附註30(d))	–	–	–	–	–	–	(514)	–	(514)	–	(514)
Total transactions with owners	**與擁有人交易總額**	45	215,157	69	–	23,336	–	(514)	1,433	239,526	8,791	248,317
Balance at 31 December 2017	**於二零一七年十二月三十一日之結餘**	285	789,818	38,025	26,481	129,108	111,787	(514)	350,266	1,445,256	10,274	1,455,530

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

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

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益										
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Statutory reserve 法定儲備 RMB'000 人民幣千元	Translation reserve 換算儲備 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Shares held under the Share Award Scheme 根據股份獎勵計劃持有之股份 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Sub-total 小計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 總權益 RMB'000 人民幣千元
Balance at 31 December 2017 as originally presented (Audited)	於二零一七年十二月三十一日之結餘，按原先所呈列(經審核)	285	789,818	38,025	26,481	129,108	111,787	(514)	350,266	1,445,256	10,274	1,455,530
Impact on initial application of IFRS 9 (note 3)	首次應用國際財務報告準則第9號之影響(附註3)	–	–	–	–	–	–	–	(84,881)	(84,881)	(108)	(84,989)
Adjusted balance at 1 January 2018	於二零一八年一月一日之經調整結餘	285	789,818	38,025	26,481	129,108	111,787	(514)	265,385	1,360,375	10,166	1,370,541
Total comprehensive income/(loss) for the year	年度全面收益／(虧損)總額											
Loss for the year	年度虧損	–	–	–	–	–	–	–	(622,970)	(622,970)	(74,543)	(697,513)
Other comprehensive income for the year	年度其他全面收益											
Currency translation differences	貨幣換算差額	–	–	–	10,083	–	–	–	–	10,083	1,276	11,359
		–	–	–	10,083	–	–	–	(622,970)	(612,887)	(73,267)	(686,154)
Transactions with owners	與擁有人交易											
Share-based compensation (Note 30(e))	以股份為基礎的酬金(附註30(e))	–	–	–	–	28,058	–	979	–	29,037	–	29,037
Exercise of share options (Note 28(iv) & Note 30)	行使購股權(附註28(iv)及附註30)	–	2,221	–	–	(474)	–	–	–	1,747	–	1,747
Transfer upon forfeiture of share options	於沒收購股權時轉撥	–	–	–	–	(39,590)	–	–	39,590	–	–	–
Issuance of shares for management subscription (Note 28(v))	就管理層認購發行股份(附註28(v))	50	231,524	–	–	–	–	–	–	231,574	–	231,574
Issuance of shares for acquisition (Note 28(vi))	就收購發行股份(附註28(vi))	5	31,531	–	–	–	–	–	–	31,536	–	31,536
Purchase of shares for Share Award Scheme (Note 30(d))	就股份獎勵計劃購買股份(附註30(d))	–	–	–	–	–	–	(13,407)	–	(13,407)	–	(13,407)
Acquisition of a subsidiary (Note 34(b))	收購一間附屬公司(附註34(b))	–	–	–	–	–	–	–	–	–	5,278	5,278
Disposal of subsidiaries (notes 35(a) & 35(b))	出售附屬公司(附註35(a)及附註35(b))	–	–	–	(989)	–	–	–	–	(989)	(17,725)	(18,714)
Acquisition of additional interests in a subsidiary	收購一間附屬公司的額外權益	–	–	–	–	–	(63,604)	–	–	(63,604)	92,140	28,536
Total transactions with owners	與擁有人交易總額	55	265,276	–	(989)	(12,006)	(63,604)	(12,428)	39,590	215,894	79,693	295,587
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	340	1,055,094	38,025	35,575	117,102	48,183	(12,942)	(317,995)	963,382	16,592	979,974

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transitions method chosen, comparative information is not restated. See note 3.

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The notes on pages 127 to 296 form part of these consolidated financial statements.

第127至296頁附註為該等綜合財務報表一部分。

Consolidated Statement of Cash Flows
綜合現金流量表

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash flows from operating activities	**經營活動所得之現金流量**			
(Loss)/Profit before income tax	除所得稅前(虧損)/利潤			
— Continuing operations	— 持續經營業務		**(539,397)**	(154,135)
— Discontinued operations	— 已終止經營業務		**(173,572)**	117,539
			(712,969)	(36,596)
Adjustments for:	就以下各項作出調整：			
Depreciation of property, plant and equipment	物業、廠房及設備折舊		**39,201**	31,680
Amortisation of intangible assets	無形資產攤銷		**99,598**	116,578
Interest expenses	利息開支		**2,271**	2,775
Bank interest income	銀行利息收入		**(2,417)**	(2,746)
Interest income from loans to third parties	給予第三方之貸款利息收入		**(7,753)**	(5,305)
Interest income form loans to associates	給予聯營公司之貸款利息收入		**(170)**	(326)
Impairment of assets	資產減值		**358,579**	—
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損/(收益)		**1,265**	(267)
Loss on disposal of subsidiaries	出售附屬公司虧損		**28,695**	1,530
Gain on disposal of intangible assets	出售無形資產收益		**—**	(2,320)
Gain on disposal of financial assets at fair value through profit or loss/available-for-sale financial assets	出售按公允值計入損益之金融資產/可供出售金融資產之收益		**(185)**	(2,000)
Loss/(Gain) on disposal/partial disposal of interest in associates	出售/出售部分於聯營公司權益的虧損/(收益)		**3,300**	(27,632)
Fair value changes of financial assets at fair value through profit or loss	按公允值計入損益之金融資產之公允值變動		**(8,151)**	—
Fair value changes of contingent consideration payables	應付或然代價公允值變動		**(45,332)**	(6,873)
Fair value changes of convertible notes	可換股票據之公允值變動		**1,691**	—
Share of losses of associates	應佔聯營公司虧損		**16,662**	4,554
Share-based compensation expense	以股份為基礎的酬金開支		**29,037**	24,929
Operating (loss)/profit before working capital changes	營運資金變動前之經營(虧損)/利潤		**(196,678)**	97,981
Decrease in inventories	存貨減少		**463**	11
Increase in trade and other receivables	貿易及其他應收款項增加		**(249,393)**	(25,038)
Increase in trade and other payables	貿易及其他應付款項增加		**318,528**	20,969
Increase/(Decrease) in deferred revenue	遞延收入增加/(減少)		**19,882**	(4,565)
Cash (used in)/generated from operations	經營(所用)/產生之現金		**(107,198)**	89,358
Interest received	已收利息		**20,419**	2,901
Income tax paid	已付所得稅		**(9,494)**	(11,413)
Net cash (used in)/from operating activities	**經營活動(所用)/所得之現金淨額**		**(96,273)**	80,846
Cash flows from investing activities	**投資活動所得之現金流量**			
Placement of time deposit with maturity over three months	存入到期日超過三個月之定期存款		**(6,863)**	—
Decrease/(Increase) in restricted bank balances	受限制銀行結餘減少/(增加)		**52,410**	(52,410)
Purchase of property, plant and equipment	購買物業、廠房及設備		**(134,540)**	(62,225)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		**1,030**	787
Proceeds from disposal of intangible assets	出售無形資產所得款項		**2,369**	5,775
Purchase of intangible assets	購買無形資產		**(42,192)**	(107,732)
Addition in development costs through internal development	透過內部開發之開發成本增加		**(8,394)**	(32,399)
Acquisition of subsidiaries, net of cash acquired	收購附屬公司，扣除已取得現金		**(40,932)**	(35,738)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司之額外股權		**(34,521)**	—
Net cash outflows from disposal of subsidiaries	出售附屬公司之現金流出淨額		**(500)**	(1,113)
Investments in associates	於聯營公司的投資		**—**	(30,073)
Purchases of financial assets at fair value through profit or loss/available-for-sale financial assets	購入按公允值計入損益之金融資產/可供出售金融資產		**(44,497)**	(74,290)
Proceeds from disposal of associate	出售聯營公司所得款項		**3,000**	1,290
Proceeds from disposal of financial assets at fair value through profit or loss/available-for-sale financial assets	出售按公允值計入損益之金融資產/可供出售金融資產所得款項		**58,347**	76,000
Addition of loans to associates	給予聯營公司之貸款增加		**(7,154)**	(27,179)
Addition of loans to third parties	給予第三方之貸款增加		**(65,635)**	(16,890)
Addition of loan to a director of the Company	給予本公司一名董事貸款增加		**(4,381)**	—
Addition in amounts due from associates	應收聯營公司款項增加		**(16,370)**	(43,798)
Repayment in loans to associates	償還聯營公司貸款		**3,524**	—
Repayment in loans to third parties	償還第三方貸款		**40,294**	1,500
Repayment of amounts due from associates	應收聯營公司款項還款		**18,417**	17,848
Payment of contingent consideration payables	應付或然代價付款		**—**	(5,960)
Net cash used in investing activities	**投資活動所用之現金淨額**		**(226,588)**	(386,607)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash flows from financing activities	**融資活動所得之現金流量**			
Interest paid	已付利息		**(443)**	(2,775)
Proceeds from amount due to an associate	應付一間聯營公司款項所得款項		**850**	—
Repayment of amount due to an associate	償還應付一間聯營公司款項		**(10)**	—
Proceeds from issuance of shares	發行股份所得款項		**—**	110,526
Proceeds from issuance of convertible notes	發行可換股票據所得款項		**68,632**	104,271
Proceeds from issuance of shares upon exercise of share options	行使購股權時發行股份所得款項		**1,747**	314
Proceeds from issuance of new shares for management subscription	就管理層認購發行新股份所得款項		**231,574**	—
Capital contribution from non-controlling shareholders	非控股股東出資		**—**	7,500
Purchase of shares under Share Award Scheme	根據股份獎勵計劃購回股份		**(13,407)**	(514)
Net cash from financing activities	**融資活動所得之現金淨額**		**288,943**	219,322
Net decrease in cash and cash equivalents	**現金及現金等價物減少淨額**		**(33,918)**	(86,439)
Cash and cash equivalents at beginning of year	**年初現金及現金等價物**		**194,956**	283,598
Effect of foreign exchange rate changes	**匯率變動之影響**		**(5,227)**	(2,203)
Cash and cash equivalents at end of year	**年末現金及現金等價物**	21	**155,811**	194,956

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transitions method chosen, comparative information is not restated. See note 3.

附註：本集團已於二零一八年一月一日初步應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選之過渡方法，可比較資料並無重列。見附註3。

The notes on pages 127 to 296 form part of these consolidated financial statements.

第127至296頁附註為該等綜合財務報表一部分。

Notes to the Consolidated Financial Statements
綜合財務報表附註

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

1. GENERAL INFORMATION

Ourgame International Holdings Limited (the "Company") was incorporated in the Cayman Islands on 4 December 2013 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited since 30 June 2014 (the "Listing").

The Company is an investment holding company and its subsidiaries (collectively, the "Group") are principally engaged in the development and operation of online card and board games, organising and broadcasting online to offline mind-sports events, tournaments, TV shows and contents (collectively, the "Online Games Business") primarily in the People's Republic of China (the "PRC") and the United States (the "US"). The Group is expanding the eSports, sports e-commerce business and other non-card-and-board games new internet businesses (collectively, the "eSports Business") globally.

Pursuant to the applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity conducting online game business and are restricted to conduct value-added telecommunications services. In order to enable investments be made into the restricted businesses, the Company established subsidiaries, Beijing Lianzhong Garden Network Technology Co., Ltd. (北京聯眾家園網絡科技有限責任公司, "WFOE 1") and Tianjin Lianhzhong Lequ Technology Development Co., Ltd. (天津聯眾樂趣科技發展有限公司, "WFOE 2") (together, the "WFOEs"), which are wholly foreign owned enterprises incorporated in the PRC. The WFOEs have entered into a series of contractual arrangements (the "Contractual Arrangements") with Beijing Lianzhong Co., Ltd. (北京聯眾互動網絡股份有限公司, "Beijing Lianzhong") and Beijing Guangyao Hudong Technology Development Co., Ltd. (北京光曜互動科技發展有限公司, "Beijing Guangyao") and their respective equity holders, which enable the WFOEs and the Group to:

- exercise effective financial and operational control over Beijing Lianzhong and Beijing Guangyao;
- exercise equity holders' voting rights of Beijing Lianzhong and Beijing Guangyao;

1. 一般資料

聯眾國際控股有限公司(「本公司」)於二零一三年十二月四日根據開曼群島公司法(二零一三年修訂版)在開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址為P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands。本公司股份自二零一四年六月三十日起於香港聯合交易所有限公司主板上市(「上市」)。

本公司為一家投資控股公司及其附屬公司(統稱為「本集團」),主要在中華人民共和國(「中國」)及美國(「美國」)從事開發及經營在線棋牌遊戲、組織及播放線上線下智力運動、比賽及電視節目(統稱為「線上遊戲業務」)。本集團正在全球擴展電子競技、體育電商業務以及其他非棋牌遊戲等新網絡業務(統稱為「電子競技業務」)。

根據適用之中國法律法規,外國投資者禁止持有從事線上遊戲業務實體之股權且於進行增值電信服務方面受到限制。為投資於受限制業務,本公司成立附屬公司北京聯眾家園網絡科技有限責任公司(「外商獨資企業1」)及天津聯眾樂趣科技發展有限公司(「外商獨資企業2」)(統稱為「外商獨資企業」,為於中國註冊成立之外商獨資企業)。外商獨資企業已與北京聯眾互動網絡股份有限公司(「北京聯眾」)及北京光曜互動科技發展有限公司(「北京光曜」)以及其各自權益持有人訂立一系列合約安排(「合約安排」),該合約安排令外商獨資企業及本集團能夠:

- 對北京聯眾及北京光曜行使有效的財務及營運控制權;
- 行使股權持有人於北京聯眾及北京光曜的投票權;

1. GENERAL INFORMATION (Continued)

- receive substantially all of the economic interest returns generated by Beijing Lianzhong and Beijing Guangyao and their subsidiaries in consideration for the business support, technical and consulting services provided by WFOEs, at WFOEs' discretion;

- obtain an irrevocable and exclusive right to purchase all or part of equity interest in and/or assets of Beijing Lianzhong and Beijing Guangyao from the respective equity holders at a minimum purchase price permitted under the PRC laws and regulations. WFOEs may exercise such options at any time until it has acquired all equity interests and/or all assets of Beijing Lianzhong and Beijing Guangyao;

- obtain a pledge over the entire equity interest of Beijing Lianzhong and Beijing Guangyao from their respective equity holders as collateral security for all of Beijing Lianzhong and Beijing Guangyao's payments due to WFOEs and to secure performance of Beijing Lianzhong and Beijing Guangyao's obligations under the Contractual Arrangements.

The details of the Contractual Arrangements are set out in the prospectus issued by the Company dated 18 June 2014 (the "Prospectus") and the announcement issued by the Company dated 9 February 2017.

The Group does not have any equity interest in Beijing Lianzhong and Beijing Guangyao and its subsidiaries. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with Beijing Lianzhong and Beijing Guangyao and has the ability to affect those returns through its power over Beijing Lianzhong and Beijing Guangyao and is considered to control Beijing Lianzhong and Beijing Guangyao and hence the Beijing Lianzhong and Beijing Guangyao Group. Consequently, the Company regards the Beijing Lianzhong and Beijing Guangyao Group as consolidated structured entities under International Financial Reporting Standards ("IFRSs"). The Group has consolidated the financial position and results of the Beijing Lianzhong and Beijing Guangyao Group in the consolidated financial statements.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Beijing Lianzhong and Beijing Guangyao Group and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Beijing Lianzhong and Beijing Guangyao Group. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements are in compliance with relevant PRC laws and regulations and are legally enforceable.

1. 一般資料(續)

- 收取北京聯眾及北京光曜以及其附屬公司產生的絕大部份經濟利益回報作為外商獨資企業酌情提供業務支持、技術及顧問服務的報酬；

- 獲得不可撤銷的獨家權利，以按中國法律及法規許可的最低購買價向各股權持有人購買北京聯眾及北京光曜的全部或部份股權及／或資產。外商獨資企業可隨時行使該等購股權直至其完成收購北京聯眾及北京光曜全部股權及／或全部資產；

- 就北京聯眾及北京光曜的全部股權獲得各相關股權持有人的質押，作為北京聯眾及北京光曜應付外商獨資企業的所有款項的抵押擔保，並擔保北京聯眾及北京光曜履行其於合約安排下的義務。

有關合約安排之詳情載於本公司於二零一四年六月十八日刊發之招股章程(「招股章程」)內及本公司日期為二零一七年二月九日刊發之公告。

本集團於北京聯眾及北京光曜及其附屬公司概無擁有任何股權。然而，根據合約安排，本集團享有其參與北京聯眾及北京光曜的可變回報並有能力透過其對北京聯眾及北京光曜之權力影響該等回報，故被視為控制北京聯眾及北京光曜，從而控制北京聯眾及北京光曜集團。因此，根據國際財務報告準則(「國際財務報告準則」)，本公司將北京聯眾及北京光曜集團視為綜合結構實體。本集團已將北京聯眾及北京光曜集團的財務狀況及業績併入綜合財務報表。

然而，合約安排未必具有如直接法定所有權之效力，以提供本集團對北京聯眾及北京光曜集團的直接控制權，且中國法律體系的不確定性可能妨礙本集團於北京聯眾及北京光曜集團的業績、資產及負債的實益權利。根據法律顧問的意見，本公司董事認為，合約安排符合相關中國法律法規且可依法強制執行。

1. GENERAL INFORMATION (Continued)

The consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

The financial statements for the year ended 31 December 2018 were approved for issue by the board of directors (the "Board") on 29 March 2019.

1. 一般資料(續)

除另有說明外，此綜合財務報表均以人民幣(「人民幣」)呈列。

截至二零一八年十二月三十一日止年度之財務報表於二零一九年三月二十九日獲董事會(「董事會」)批准發行。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations.

The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended IFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair values. Non-current assets and disposal group held for sale are stated the lower of carrying amount and fair value less costs to sell. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. 重大會計政策概要

2.1 編製基準

該等年度綜合財務報表乃根據國際財務報告準則(「國際財務報告準則」)編製，其詞彙涵蓋所有適用的個別國際財務報告準則、國際會計準則及詮釋。

財務報表亦符合香港《公司條例》之適用規定及包括香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

下文概述編製該等綜合財務報表時所採用之重大會計政策。除另有指明外，該等政策已整個呈列年度貫徹應用。採納新訂或經修訂國際財務報告準則及對本集團財務報表之影響(如有)於附註3披露。

除若干金融資產及負債按公允值列賬外，財務報表均以歷史成本基準編製。非流動資產及持作出售之出售組別均按賬面值與按公允值減出售成本(以較低者為準)列賬。計量基準於下文會計政策全面論述。

務請注意，編製該等財務報表時已運用會計估計及假設。儘管該等估計乃基於管理層對現時事件及行動的一切所知及判斷，實際結果最終或會與該等估計有異。嚴重倚賴判斷或較複雜的範疇或涉及對綜合財務報表有重大影響的假設及估計的範疇均於附註4披露。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

2. 重大會計政策概要(續)

2.2 合併基準

綜合財務報表包括本公司及其附屬公司編製的截至各年十二月三十一日的財務報表。

附屬公司指本集團控制的實體。當本集團透過參與實體的營運而承擔或享有可變回報且有能力透過其於實體的權力影響該等回報時，則本集團控制該實體。於評估本集團對實體是否擁有權力時，僅會考慮與實體有關的實質權利(由本集團及其他方持有)。

本集團的綜合財務報表包括附屬公司自本集團取得控制權之日起至本集團不再控制該附屬公司之日的收入及開支。

編製綜合財務報表時，集團內公司間交易、結餘及未變現損益均予以抵銷。倘銷售集團內公司間資產的未變現虧損於綜合入賬時撥回，則相關資產亦從本集團的角度進行減值測試。附屬公司財務報表所呈報的金額已於需要時作出調整，以確保與本集團所採納的會計政策一致。

非控股權益指於一間附屬公司中並非直接或間接歸屬本公司的權益，而本集團並無與該等權益的持有人協定任何額外條款，致使本集團整體就符合金融負債定義的權益承擔合約責任。就各業務合併而言，本集團可選擇按公允值或按非控股權益佔附屬公司的可識別資產淨值的比例計量任何非控股權益。

非控股權益於綜合財務狀況表內的權益中呈列，與本公司擁有人應佔權益分開列賬。本集團業績內的非控股權益入賬作為在非控股權益及本公司擁有人之間分配的年內損益總額及全面收益總額，於綜合損益及其他全面收益表呈列。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. 重大會計政策概要(續)

2.2 合併基準(續)

本集團於附屬公司的權益變動，倘不會引致喪失控制權，則以權益交易入賬，並據此對綜合權益中控股權益的金額作調整，以反映相關的權益變動，惟不會調整商譽及確認盈虧。

倘本集團失去對附屬公司之控制權，出售的損益按(i)已收代價公允值及任何保留權益之公允值總額與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益之過往賬面值之差額計算。當附屬公司的若干資產按重估金額或公允值計量，且相關累計收益或虧損已在其他綜合收益確認並於權益累計，過往已在其他綜合收益確認並於權益累計之金額將猶如本公司已直接出售該相關資產入賬(即重新分類至損益或直接轉撥至保留盈利)。於失去控制權當日在前附屬公司保留的任何投資的公允值視作初始確認國際財務報告準則第9號「金融工具」項下後續會計處理之公允值，或(如適用)於初始確認於聯營公司或合營企業投資的成本。

於本公司的財務狀況表內，附屬公司乃按成本減任何減值虧損入賬，除非附屬公司持作出售或計入出售組別內。成本經調整以反映或然代價修訂產生的代價變動。成本亦包括投資直接應佔成本。

附屬公司的業績由本公司根據已收及應收股息於報告日期入賬。所有的股息(無論是否從投資對象的收購前或收購後利潤中收取)均於本公司損益中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition–date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

2. 重大會計政策概要(續)

2.3 業務合併

收購附屬公司及業務乃採用收購法入賬。於業務合併中轉讓的代價以公允值計量，公允值則按本集團所轉讓資產、由本集團向被收購方前擁有人所產生的負債以及本集團為換取被收購方控制權而發行股本權益於收購日期的公允值總和計算。與收購有關的成本於產生時在損益確認。

業務合併中收購的可識別資產及承擔的負債及或然負債乃按收購日期公允值初步計量。

商譽按所轉讓代價、被收購方的任何非控股權益金額及收購方先前於被收購方持有的權益公允值(如有)的總額超出所收購可識別資產及所承擔負債於收購日期淨額的差額計量。倘經重新評估後，所收購可識別資產及所承擔負債於收購日期的淨額超出所轉讓代價、於被收購方的任何非控股權益金額及收購方先前於被收購方持有的權益公允值(如有)的總額，則該超出的金額即時在損益內確認為溢價收購收益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is remeasured at subsequent reporting dates at fair value with corresponding gain or loss being recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

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

2. 重大會計政策概要(續)

2.3 業務合併(續)

當本集團於一項業務合併轉讓的代價包括或然代價安排所產生的資產或負債，則或然代價乃按收購日期的公允值計算，並視為業務合併中轉讓代價的一部分。合資格作計量期間調整的或然代價的公允值變動乃追溯調整，並對商譽或議價購買收益作出相應調整。計量期間調整為於計量期間因取得於收購日期已存在的事件及環境的額外資料而作出的調整。計量期間不得超過收購日期起計一年。不符合作為計量期間調整的或然代價公允值變動的其後會計處理，取決於或然代價如何分類。分類為權益的或然代價於其後報告日期不會重新計量，其後結算於權益內進行入賬處理。分類為金融負債的或然代價於其後報告日期根據公允值重新計量，而相應收益或虧損乃於損益中確認。

當本集團取得被收購方的控制權時，於收購前在其他全面收益確認及在權益累計的先前所持股權的價值變動會重新分類至損益。

倘業務合併的初步會計處理於報告期末仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間內作出調整(見上文)，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In consolidated financial statements, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year. The Group's other comprehensive income for the year includes its share of the associate's other comprehensive income for the year.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associates. Where unrealised losses on assets sales between the Group and its associate are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

2. 重大會計政策概要(續)

2.4 聯營公司

聯營公司為本集團對其具有重大影響力的實體。重大影響力即參與被投資方財務及經營政策決定但不控制或共同控制該等政策的權力。

在綜合財務報表中，於聯營公司的投資初步按成本確認，其後採用權益法入賬。收購成本超逾本集團應佔於收購日期所確認該聯營公司的可識別資產、負債及或然負債的公允淨值的任何數額會確認為商譽。商譽計入投資的賬面值，並作為投資的一部分作出減值評估。收購成本按交易當日所給予的資產、所產生或承擔的負債，以及本集團已發行股本工具的公允值，另加投資直接應佔的任何成本計量。重新評估後，本集團應佔可識別資產、負債及或然負債的公允淨值超出收購成本的任何差額，即時於損益確認，以釐定購入投資期間本集團應佔聯營公司的損益。

按照權益法，本集團於聯營公司的權益按成本列賬，並就本集團應佔聯營公司的資產淨值減任何已識別減值虧損於收購後的變動作出調整，惟分類為持有待售(或納入被分類為持有待售的出售組別)除外。年內損益包括本集團年內應佔聯營公司的收購後及除稅後業績(包括年內確認的於聯營公司的投資的任何減值虧損)。本集團應佔聯營公司的年內其他全面收益計入本集團年內其他全面收益。

本集團與其聯營公司之間交易的未變現收益將會對銷，惟以本集團所佔聯營公司的權益為限。倘本集團與其聯營公司之間資產銷售的未變現虧損按權益會計法撥回，本集團亦會對有關資產作減值測試。倘聯營公司所用會計政策並非為本集團於同類情況下就類似交易及事件所採用者，則本集團就所使用的該聯營公司財務報表採用權益法時作出必要調整，以使該聯營公司的會計政策與本集團所用者一致。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. At each reporting date, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate. If the retained interest in that former associate is a financial asset, the retained interest is measured at fair value, which is regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The difference between (i) the fair value of any retained interest and any proceeds from disposing of a part interest in the associate; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

2. 重大會計政策概要(續)

2.4 聯營公司(續)

當本集團應佔聯營公司的虧損相等或超過其於聯營公司的權益時，除非其擁有法定或推定責任或代表聯營公司付款，否則本集團不會再確認虧損。就此而言，本集團於聯營公司的權益為根據權益法計算投資的賬面值，連同實質構成本集團於該聯營公司的投資淨額的長期權益部分。

於應用權益法後，本集團決定是否須就本集團於聯營公司的投資確認額外減值虧損。於各報告日期，本集團決定是否有任何客觀憑證顯示於聯營公司的投資出現減值。倘識別出該等跡象，則本集團所計算的減值金額為聯營公司的可收回金額(即使用價值與公允值減出售成本兩者間之較高者)與其賬面值的差額。於釐定投資的使用價值時，本集團估計預期其應佔的將由該聯營公司產生的估計未來現金流量的現值，包括該聯營公司的營運所產生現金流量以及最終出售該投資的所得款項。

本集團自其不再對聯營公司有重大影響力當日起終止使用權益法。倘於該前聯營公司的保留權益為金融資產，根據國際財務報告準則第9號，該保留權益按公允值計量，該公允值被視為初步確認為金融資產時的公允值。(i)出售聯營公司部分權益的任何保留權益及任何所得款項的公允值；及(ii)不再使用權益法當日的投資賬面值兩者的差額於損益中確認。此外，本集團將過往就聯營公司於其他全面收益確認的所有金額入賬，基準與聯營公司直接出售相關資產或負債時需使用的基準相同。因此，倘投資對象過往於其他全面收益確認的收益或虧損，將於出售相關資產或負債時重新分類至損益，則實體於不再使用權益法時將有關收益或虧損由權益重新分類至損益(作為重新分類調整)。

倘於聯營公司的投資成為於合營企業的投資，本集團將繼續應用權益法而不會重新計量有關保留權益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into the RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation have been treated as assets and liabilities of the foreign operation and translated into RMB at the closing rates.

2. 重大會計政策概要(續)

2.5 外幣換算

綜合財務報表以人民幣(「人民幣」)呈列,而人民幣亦為本公司的功能貨幣。

於綜合入賬實體的個別財務報表內,外幣交易均按交易當日的匯率換算為個別實體的功能貨幣。於報告日期,以外幣計值的貨幣資產及負債按該日的匯率換算。因結算該等交易及因於報告日期重新換算貨幣資產及負債產生的外匯收益及虧損均於損益內確認。

按公允值列賬且以外幣計值的非貨幣項目,乃按釐定公允值當日的匯率重新換算。按過往成本以外幣計算的非貨幣項目不會重新換算(即僅以交易當日的匯率進行換算)。

於綜合財務報表內,原以本集團呈報貨幣以外的貨幣呈列的海外業務的所有個別財務報表均已換算為人民幣。資產及負債已按報告日期的收市匯率換算為人民幣。收入與開支按交易當日的匯率或按報告期間的平均匯率換算為人民幣,惟前提是匯率沒有重大波動。任何就此產生的差額,已於其他全面收益內確認及於權益的換算儲備內單獨累計。

收購海外業務所產生的商譽及公允值調整已被視作為該海外業務的資產及負債處理並按收市匯率換算為人民幣。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e., no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e., of associates not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognised at acquisition cost or manufacturing cost, including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. They are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2. 重大會計政策概要(續)

2.5 外幣換算(續)

當出售海外業務(即出售本集團於海外業務的全部權益，或涉及失去一間具有海外業務的附屬公司的控制權的出售，或涉及失去對一間具有海外業務的聯營公司的重大影響力的出售)時，就本集團應佔該業務的所有累計匯兑差額重新分類至損益。非控股權益過往應佔的任何匯兑差額會被終止確認，但不會被重新分類至損益。

倘出售具有海外業務的附屬公司的部分權益(即並無失去控制權)，則應佔累計匯兑差額的份額會重新歸類為非控股權益，而不會於損益內確認。就所有其他部分權益出售(即並非涉及會計基準變動的聯營公司的部分權益出售)，應佔累計匯兑差額的份額被重新分類至損益。

2.6 物業、廠房及設備

物業、廠房及設備(如下所述在建工程除外)初步按收購成本或製造成本確認，包括將資產送至所需地點及達致所需條件以使資產能按本集團管理層擬定方式運作而直接應佔的任何成本。其按成本減累計折舊及累計減值虧損(如有)列賬。

用於生產、供應或管理目的的在建物業按成本減任何已確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。該等物業在竣工可作擬定用途時可分類至適當類別的物業、廠房及設備。該等資產按與其他物業資產相同的基準折舊，且於其可作擬定用途時開始折舊。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of assets, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method, as follows:

Leasehold improvements	Shorter of remaining term of the lease and the estimated useful lives of the assets
Computer equipment	3 to 5 years
Furniture and office equipment	3 to 5 years
Motor vehicles	5 years
Production equipment	5 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2.7 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of investment in an associate is set out in note 2.4.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

2. 重大會計政策概要(續)

2.6 物業、廠房及設備(續)

折舊以直線法於如下估計可使用年期內確認，以撇銷資產成本(在建工程除外)減其剩餘價值：

租賃物業裝修	資產的剩餘租期與估計可使用年期之間的較短者
電腦設備	3至5年
傢俬及辦公室設備	3至5年
汽車	5年
生產設備	5年

剩餘價值與可使用年期之估計於各報告日期進行檢討及於適當時作出調整。

報廢或出售所產生之收益或虧損按出售所得款項與相關資產之賬面值之間的差額釐定，並於損益內確認。

後續成本計入資產之賬面值或於適當時確認為一項個別資產，前提條件為與該項目相關之未來經濟利益極有可能流入本集團及該項目成本能可靠計量。終止確認已重置部分之賬面值。所有其他成本(如維修及保養成本)於其產生之財務期間自損益內扣除。

2.7 商譽

下文載列有關收購一間附屬公司產生之商譽的會計政策。收購一間聯營公司的投資所產生商譽的會計處理載列附註2.4。

業務合併產生之商譽在取得控制權當日(收購日)確認為資產。商譽按所轉讓代價公允值、被收購方任何非控股權益金額及收購方之前持有的被收購方股權(如有)公允值之總和超過本集團於收購日計量之被收購方可識別資產及負債之公允值淨值部分確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Goodwill (Continued)

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2.21).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.8 Intangible assets (other than goodwill) and research and development activities

Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Computer software	1 to 5 years
Game intellectual properties, trademark and licenses	2 to 10 years
Brand name	1 to 10 years
Programmes and film rights	5 to 20 years
Unfinished contracts	1 to 10 years
Customer relationships	5 years

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets, with finite and indefinite useful lives, are tested for impairment as described below in note 2.21.

2. 重大會計政策概要(續)

2.7 商譽(續)

倘重新評估後，本集團於被收購方可識別淨資產公允值的權益超過所轉讓代價、被收購方任何非控股權益金額及收購方之前持有的被收購方股權(如有)公允值之總額，則超出部分立即於損益內確認為議價購買收益。

商譽乃按成本減累計減值虧損列賬。商譽分配至現金產生單位，並於每年接受減值測試(見附註2.21)。

隨後出售一間附屬公司時，出售收益或虧損金額的釐定會計及資本化商譽應佔款項。

2.8 無形資產(商譽除外)及研發活動

無形資產(商譽除外)

收購的無形資產乃按成本初步確認。初步確認後，具有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期之無形資產攤銷乃按其估計可使用年期以直線法撥備。無形資產可供使用時開始進行攤銷。已採用下列可使用年期：

電腦軟件	1至5年
遊戲知識產權、商標及許可證	2至10年
品牌名稱	1至10年
節目及電影版權	5至20年
未完成合約	1至10年
客戶關係	5年

具無限可使用年期之無形資產乃按成本減任何其後累計減值虧損列賬。

有關資產攤銷方法及可使用年期於各報告日期進行檢討及於適當時作出調整。

具有限及無限可使用年期之無形資產按下文附註2.21所述進行減值測試。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (other than goodwill) and research and development activities (Continued)

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

2. 重大會計政策概要(續)

2.8 無形資產(商譽除外)及研發活動(續)

研發成本

與研究活動有關的成本於產生時即於損益中支銷。開發活動直接應佔成本確認為無形資產，惟須符合以下確認要求：

(i) 證實內部使用或出售的潛在產品在技術上具有可行性；

(ii) 具有完成該無形資產並使用或出售的意圖；

(iii) 證實本集團有能力使用或出售無形資產；

(iv) 無形資產將透過內部使用或出售而產生潛在經濟利益；

(v) 有足夠的技術、財務和其他資源支持完成研發；及

(vi) 歸屬於無形資產的支出可被可靠地計量。

直接成本包括計入開發活動產生的僱員成本及適當比例的相關間接成本。符合上述確認標準的內部產生的軟件、產品或專門技術的開發成本確認為無形資產。該等無形資產其後的計量方法與已收購無形資產所使用者相同。

所有其他開發成本均於產生時支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial Assets

Policy applicable from 1 January 2018

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("FVTPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

— amortised cost; or

— FVTPL.

The classification is determined by both:

— the entity's business model for managing the financial asset; and

— the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within "finance costs" or "other income", except for expected credit losses ("ECL") of financial assets which is presented within "impairment of assets".

2. 重大會計政策概要(續)

2.9 金融工具

確認及終止確認

金融資產及金融負債於本集團成為金融工具合約條文一方時確認。

金融資產於自金融資產獲取現金流量之合約權利屆滿，或金融資產及其絕大部分風險及回報已轉移時終止確認。金融負債於其消除、解除、註銷或到期時終止確認。

金融資產

自二零一八年一月一日起適用之政策

金融資產之分類及初步計量

除並無重大融資成分且根據國際財務報告準則第15號按交易價格計量之貿易應收款項外，所有金融資產均按公允值初步計量，倘屬並非按公允值計入損益(「按公允值計入損益」)的金融資產，則須加上收購金融資產直接應佔的交易成本計量。按公允值計入損益列賬的金融資產交易成本於綜合損益及其他全面收益表中支銷。

金融資產(除指定及有效作為對沖工具者外)分類為下列類別：

— 按攤銷成本；或

— 按公允值計入損益。

分類乃根據下列兩項釐定：

— 實體管理金融資產之業務模式；及

— 金融資產之合約現金流量特徵。

與金融資產有關的所有收支於損益確認，並於「融資成本」或「其他收入」內呈列，惟金融資產預期信貸虧損(「預期信貸虧損」)於「資產減值」內呈列除外。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

Financial Assets (Continued)

Policy applicable from 1 January 2018 (Continued)

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in "other income" in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's bank balances and cash, trade and other receivables, loans to associates and third parties and other non-current receivable (including current portion) fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in "fair value reserve — non-recycling" in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer's perspective.

2. 重大會計政策概要(續)

2.9 金融工具(續)

金融資產(續)

自二零一八年一月一日起適用之政策(續)

金融資產之其後計量

債務投資

按攤銷成本計量之金融資產

倘金融資產符合下列條件(且並非指定為按公允值計入損益),則該資產按攤銷成本計量:

- 以持有金融資產及收取合約現金流量為目的之業務模式下持有之金融資產;及
- 金融資產之合約條款產生之現金流量純粹為支付本金及未償還本金之利息。

於初步確認後,該等資產使用實際利率法按攤銷成本計量。該等金融資產利息收入計入損益內「其他收入」。倘折現影響微乎其微,則折現可忽略不計。本集團銀行結餘及現金、貿易及其他應收款項、給予聯營公司及第三方之貸款以及其他非流動應收款項(包括即期部分)均屬於此類金融工具。

按公允值計入損益之金融資產

與「持有以收取」或「持有以收取及出售」不同業務模式持有的金融資產按公允值計入損益分類。此外,無論屬何種業務模式,合約現金流量並非僅支付本金及利息的金融資產按公允值計入損益列賬。

股本投資

股本證券投資均會分類為按公允值計入損益,除非該股本投資並非持作買賣用途,且在初步確認投資時本集團選擇將投資指定為按公允值計入其他全面收益(不可劃轉),以致後續公允值變動在其他全面收益中確認並於權益內「公允值儲備 — 不可劃轉」累計。該選擇乃按個別工具基準作出,惟僅當投資符合發行人角度下的股本定義時方可作出。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

Financial Assets (Continued)

Policy applicable from 1 January 2018 (Continued)

Subsequent measurement of financial assets (Continued)

Equity investments (Continued)

The equity instruments at FVOCI are not subject to impairment assessment. The cumulative gain or loss in "fair value reserve — non-recycling" will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" in profit or loss.

Policy applicable before 1 January 2018

The Group's accounting policies for financial assets other than investments in subsidiaries and associates are set out below. Financial assets of the Group are classified into loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date (the date on which the Group commits to purchase or sell the asset). When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is determined and recognised based on the classification of the financial asset.

2. 重大會計政策概要(續)

2.9 金融工具(續)

金融資產(續)

自二零一八年一月一日起適用之政策(續)

金融資產之其後計量(續)

股本投資(續)

按公允值計入其他全面收益之股本投資毋須進行減值評估。於出售股本投資後,「公允值儲備 — 不可劃轉」內的累計收益或虧損不會重新分類至損益,而將轉入保留盈利。

除非股息明確指明收回部分投資成本,否則當本集團收取股息的權利確立時,該等股本工具投資所得股息於損益確認。股息計入於損益內「其他收入」。

於二零一八年一月一日前適用之政策

本集團於附屬公司及聯營公司投資以外之金融資產之會計政策載於下文。本集團金融資產被分類為貸款及應收款項以及可供出售金融資產。於初步確認金融資產時,管理層會根據所收購金融資產之用途作出分類,並於許可及適當情況下,於各報告日期對有關定性作重新評估。

所有金融資產會且僅會在本集團成為有關工具合約條文之訂約方時,方予確認。以一般方式購買金融資產會於交易日期(即本集團承諾購買或出售資產日期)確認。初步確認金融資產時按公允值計量,但若投資並非按公允值計入損益,則須加上直接應佔交易成本計量。

當收取投資所產生現金流量之權利屆滿或被轉讓,且所有權絕大部分風險及回報已經轉移時,即終止確認金融資產。

於各報告日期,會對金融資產進行審閱,以評估是否有任何客觀減值證據。如有出現任何上述證據,則根據金融資產分類釐定及確認減值虧損。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

Financial Assets (Continued)

Policy applicable before 1 January 2018 (Continued)

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(b) Available-for-sale financial assets

Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are classified as available-for-sale financial assets. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months after the reporting date.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the revaluation reserve in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of each reporting date subsequent to initial recognition.

2. 重大會計政策概要(續)

2.9 金融工具(續)

金融資產(續)

自二零一八年一月一日起適用之政策(續)

(a) 貸款及應收款項

貸款及應收款項為固定或可釐定付款且於活躍市場上並無報價之非衍生金融資產。該等款項計入流動資產，不包括期限超過報告日期後12個月者(分類為非流動資產)。貸款及應收款項其後以實際利率法按攤銷成本減任何減值虧損計量。計算攤銷成本時，應計及任何收購折讓或溢價，並包括屬實際利率不可分割部分之費用及交易成本。

(b) 可供出售金融資產

不符合資格歸入任何其他金融資產類別之非衍生金融資產分類為可供出售金融資產。除非投資於報告日期後12個月內到期或管理層擬於該期間出售，否則將計入非流動資產。

所有該類別之金融資產其後按公允值計量。因公允值變動產生之任何收益或虧損(不包括任何股息及利息收入)於其他全面收益內確認，並獨立在權益之重估儲備中累積，惟減值虧損(見下文政策)及有關貨幣資產之外匯收益及虧損除外，直至金融資產被終止確認為止，屆時早前於權益中確認之累計收益或虧損會重新分類至損益。利用實際利率法計算之利息於損益中確認。

就於活躍市場並無市場報價且其公允值不能可靠計量之可供出售股本證券投資，其於初步確認後各報告期末以成本減任何已確定減值虧損計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

Financial Liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables and other non-current payable (including current portion).

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within "finance costs" or "other income".

Convertible notes

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

Convertible notes issued by the Group that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the call option for conversion of the notes into equity, is included in equity as other reserve.

The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the note.

2. 重大會計政策概要(續)

2.9 金融工具(續)

金融負債

金融負債的分類及計量

本集團的金融負債包括貿易及其他應付款項，以及其他非流動應付款項(包括即期部分)。

金融負債按公允值初步計量，並就交易成本(如適用)予以調整，惟本集團指定按公允值計入損益的金融負債除外。

隨後，金融負債使用實際利率法按攤銷成本計量，惟指定按公允值計入損益的衍生工具及金融負債除外，其隨後按公允值列賬，收益或虧損則於損益內確認(指定及有效作為對沖工具之衍生金融工具除外)。

所有於損益內呈報的利息相關費用及工具公允值變動(如有)均計入「融資成本」或「其他收入」內。

可換股票據

倘於轉換時將予發行之股份數目及將予收取之代價值當時並無改變，則可供持有人選擇轉為股本之可換股票據作為附有負債部分及權益部分之複合金融工具列賬。

本集團所發行包含財務負債及權益部分之可換股票據，於初步確認時乃分別列入負債及權益部分。於初步確認時，負債部分之公允值使用類似不可換股債務之現行市場利率釐定。發行可換股票據所得款項與負債部分公允值之差額為有關票據轉換為權益之認購期權，計入權益(其他儲備)。

負債部分其後使用實際利息法按攤銷成本列賬。權益部分將一直列於權益內，直至轉換或贖回票據為止。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

Financial Liabilities (Continued)

Classification and measurement of financial liabilities (Continued)

Convertible notes (Continued)

When the note is converted, the equity component of convertible note and the carrying value of the liability component at the time of conversion are transferred to share capital as consideration for the shares issued. If the note is redeemed, the other reserve is released directly to retained earnings.

Trade and other payables and other non-current payables (including current portion)

Trade and other payables and other non-current payables (including current portion) are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Contingent consideration

Details of accounting policy of contingent consideration are set out in note 2.12.

Offsetting financial instruments

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

2.10 Impairment of financial assets

Policy applicable from 1 January 2018

IFRS 9's impairment requirements use more forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

2. 重大會計政策概要(續)

2.9 金融工具(續)

金融負債(續)

金融負債的分類及計量(續)

可換股票據(續)

轉換票據時，可換股票據權益部分及負債部分轉換時之賬面值撥入股本，作為已發行股份之代價。倘票據獲贖回，則其他儲備直接撥入保留盈利。

貿易及其他應付款項及其他非流動應付款項(包括即期部分)

貿易及其他應付款項及其他非流動應付款項(包括即期部分)初步使用實際利率按其公允值確認，隨後按攤銷成本計量。

或然代價

有關或然代價會計政策詳情載於附註2.12。

抵銷金融工具

當有法定可強制執行權利抵銷已確認金額，且有意按其淨額作結算或同時變現資產和結算負債時，有關金融資產與負債可互相抵銷，並在綜合財務狀況表內呈報其淨值。法定可強制執行權利不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時必須可強制執行。

2.10 金融資產減值

自二零一八年一月一日起適用之政策

國際財務報告準則第9號的減值規定採用更具前瞻性的資料確認預期信貸虧損—「預期信貸虧損模式」。屬此新規定範疇內的工具包括按攤銷成本的貸款及其他債務類金融資產及貿易應收款項。

於評估信貸風險及計量預期信貸虧損時，本集團考量更為廣泛的資料，包括過往事件、現時狀況以及會影響有關工具未來現金流量預期可收回性的合理及有理據的預測。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Policy applicable from 1 January 2018 (Continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

2. 重大會計政策概要(續)

2.10 金融資產減值(續)

自二零一八年一月一日起適用之政策(續)

採納該前瞻法時，須對下列各項作出區別：

- 自初步確認以來其信貸質量未發生重大退化或具較低信貸風險的金融工具(「第一階段」)；及
- 自初步確認以來其信貸質量發生重大退化且其信貸風險不低的金融工具(「第二階段」)。

「第三階段」將覆蓋於報告日期出現減值客觀證據的金融資產。

「十二個月的預期信貸虧損」於第一階段類別下確認，而「整個存續期的預期信貸虧損」於第二階段類別下確認。

預期信貸虧損的計量乃按概率加權估計於金融工具預計存續期的信貸虧損釐定。

貿易應收款項

就貿易應收款項而言，本集團應用簡化方法計算預期信貸虧損並於各報告日期根據整個存續期的預期信貸虧損確認虧損撥備。考慮到金融資產存續期內任何時間點均可能出現違約事件，預期合約現金流量會存在不足情況。於計算預期信貸虧損時，本集團已根據其歷史信貸虧損經驗及外部指標建立撥備矩陣，並根據債務人特定前瞻性因素及經濟環境作出調整。

為計量預期信貸虧損，貿易應收款項已根據共同信貸風險特點及逾期天數分類。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Policy applicable from 1 January 2018 (Continued)

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. 重大會計政策概要(續)

2.10 金融資產減值(續)

自二零一八年一月一日起適用之政策(續)

按攤銷成本計量的其他金融資產

本集團計量的其他應收款項虧損撥備等於12個月的預期信貸虧損，除非自初步確認後信貸風險大幅增加，否則本集團確認整個存續期的預期信貸虧損。是否應評估整個存續期的預期信貸虧損是基於自初步確認以來發生違約的可能性或風險是否顯著增加。

於評估信貸風險自初步確認起有否大幅增加時，本集團將金融資產於報告日期發生違約的風險與該金融資產於初步確認日期發生違約的風險進行比較。作出此評估時，本集團考慮合理並有理據支持的定量及定性資料，包括過往經驗及毋須付出額外成本或努力即可獲得的前瞻性資料。

具體而言，評估信貸風險有否顯著增加時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期顯著轉差；
- 信貸風險的外部市場指標顯著轉差，例如信貸息差、債務人的信貸違約掉期價格大幅增加；
- 商業、金融或經濟情況的目前或預期不利變動，預計將導致債務人的償還債務能力顯著下降；
- 債務人經營業績實際或預期顯著轉差；及
- 債務人的監管、經濟或技術環境的實際或預計重大不利變動，導致債務人的償還債務能力顯著下降。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Policy applicable from 1 January 2018 (Continued)

Other financial assets measured at amortised cost (Continued)

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 37(e).

Policy applicable before 1 January 2018

At each reporting date, financial assets other than at FVTPL are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

2. 重大會計政策概要(續)

2.10 金融資產減值(續)

自二零一八年一月一日起適用之政策(續)

按攤銷成本計量的其他金融資產(續)

儘管上文所述，倘一項債務工具於各報告期末被釐定為低信貸風險，則本集團假設該項債務工具的信貸風險自初步確認起並無顯著增加。倘債務工具違約風險低、借款人近期具充分能力以履行合約現金流量責任，及長遠經濟及業務狀況之不利變動或會(但非必然)降低借款人履行其合約現金流量責任的能力，則該債務工具被釐定為具有低信貸風險。

就內部信貸風險管理而言，本集團認為，違約事件在內部制定或源自外界的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

貿易應收款項及按攤銷成本計量的其他金融資產的預期信貸虧損評估分析詳情載於附註37(e)。

自二零一八年一月一日起適用之政策

於各報告日期，本集團就金融資產(按公允值計入損益者除外)進行審閱，以評估是否有任何客觀減值證據。

個別金融資產減值的客觀證據包括本集團所發現有關下列一項或多項虧損事項的可觀察數據：

- 債務人出現重大財政困難；
- 違反合約，如不支付或拖欠利息或本金；
- 債務人可能破產或進行其他財務重組；

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Policy applicable before 1 January 2018 (Continued)

- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- The disappearance of an active market for that financial asset because of financial difficulties; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the Group and, national or local economic conditions that correlate with defaults on the assets in the Group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) Financial assets carried at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the financial asset at the date of impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

2. 重大會計政策概要(續)

2.10 金融資產減值(續)

自二零一八年一月一日起適用之政策(續)

- 科技、市場、經濟或法律環境有重大變動而對債務人有不利影響；
- 該金融資產因財政困難而失去活躍的市場；及
- 權益工具投資公允值大幅或長期下跌至低於其成本。

有關一組金融資產之虧損事項包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現不利變動。

若出現任何該等證據，則按以下方式計量及確認減值虧損：

(i) 按攤銷成本列賬之金融資產

減值虧損金額按金融資產賬面值與以其原實際利率(即初步確認時計算之實際利率)折算之估計未來現金流量(不包括尚未產生的未來信貸虧損)現值的差額計算。虧損金額於減值發生期間於損益中確認。

若於後續期間減值虧損金額減少，而有關減幅可客觀地與確認減值後發生的事件聯繫，則需撥回過往確認的減值虧損，惟金融資產於撥回減值當日的賬面值不得超過未確認減值的情況下原本的攤銷成本。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Policy applicable before 1 January 2018 (Continued)

(ii) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in the profit or loss. The subsequent increase in fair value is recognised in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.

(iii) Financial assets carried at cost

For financial assets carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial assets and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of the impairment losses is recognised in profit or loss of the period in which the impairment occurs and not reversed in subsequent periods.

Impairment losses on financial assets other than trade and other receivables that are stated at amortised cost are written off against the corresponding assets directly. Where the recovery of trade and other receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade and other receivables is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 重大會計政策概要(續)

2.10 金融資產減值(續)

自二零一八年一月一日起適用之政策(續)

(ii) 可供出售之金融資產

當可供出售金融資產公允值減少並已於其他全面收益內確認及於權益累計，及有客觀證據顯示該資產出現減值時，其金額需自權益中移除，並於損益中確認為減值虧損。該金額按該資產的收購成本(扣除任何本金償還及攤銷)與現有公允值的差額，減該資產先前已於損益中確認的任何減值虧損計量。

就歸類為可供出售及按公允值列賬的股本工具投資的撥回並不在損益中確認。其後公允值如有任何增加，將在其他全面收益中確認。若公允值隨後增長客觀地與確認減值虧損後發生的事項有關，則債務證券的減值虧損將予撥回。在此情況下，減值虧損的撥回於損益中確認。

(iii) 以成本列值之金融資產

就以成本列值之金融資產而言，減值虧損的金額按金融資產賬面值與估計未來現金流量按同類金融資產現行市場回報率貼現的現值之差額計量。該等減值虧損於出現減值的期間在損益確認，但不會於後續期間撥回。

金融資產(不包括按攤銷成本列賬之貿易及其他應收款項)之減值虧損乃直接與相關資產撇銷。若貿易及其他應收款項被認為有可能但並非不能收回，則應收款項呆賬之減值虧損記入撥備賬。若本集團信納貿易及其他應收款項的可收回性極低，則被認為不可收回金額乃直接自貿易及其他應收款項中撇銷，並撥回就該應收款項記入撥備賬之任何金額。先前計入撥備賬的金額如在其後收回，則從撥備賬撥回。撥備賬其他變動及其後收回先前已直接撇銷之金額，均在損益確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the first-in, first-out ("FIFO") method.

2.12 Contingent consideration

Contingent consideration are recognised at fair value at the end of each reporting period with gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for hedged accounting under IFRS 9.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2.19). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2.9).

2. 重大會計政策概要(續)

2.11 存貨

存貨以成本值與可變現淨值兩者中較低者列賬。可變現淨值為日常營業過程中的估計售價減估計完工成本及適用的銷售費用。成本採用先進先出(「先進先出」)法釐定。

2.12 或然代價

於各報告期末，或然代價按公允值確認，而重新計量該公允值的收益或虧損即時於損益確認，惟符合國際財務報告準則第9號對沖會計處理的衍生工具除外。

2.13 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行活期存款及原定到期日為三個月或以下，可隨時兑換為已知數額現金且價值變動風險較少的短期高度流動性投資。

2.14 合約負債

本集團確認相關收益前，合約負債於客戶支付價時確認(見附註2.19)。倘本集團有權無條件於本集團確認相關收益前收取代價，則合約負債亦會獲確認。於相關情況下，相應應收款項亦會獲確認(見附註2.9)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

2.16 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2. 重大會計政策概要(續)

2.15 租賃

若本集團釐定，安排涉及於協定時期內將特定資產使用權出讓以換取一筆或一連串付款，則有關安排(包括一項交易或一連串交易)屬於或包含一項租賃。該項決定乃基於安排內容的實質評估而作出，而不論該項安排是否採取租賃的法律形式。

(i) 租予本集團之資產的分類

對於本集團於租賃項下持有的資產，若租賃使所有權的絕大部分風險和回報轉移至本集團，有關資產便會劃歸為於融資租賃項下持有。若租賃不會使所有權的絕大部分風險和回報轉移至本集團，則劃歸為經營租賃。

(ii) 作為承租人的經營租賃支出

如本集團有權使用於經營租賃項下持有的資產，則根據租賃期內作出的付款以直線法在損益中扣除，惟其他基準更能反映租賃資產所產生的收益時間模式除外。租賃所涉及的激勵措施均在損益內確認為租賃淨付款總額的組成部分。或然租金於其產生的會計期間內於損益內列支。

2.16 撥備、或然負債及或然資產

如本集團須就已發生之事件承擔現有法律或推定義務，因而可能導致須以經濟效益之外流履行義務，並可就此作出責任款項可靠之估計時，本集團便會計提撥備。如果貨幣時間值較大，則按預計履行義務所需支出之現值計列撥備。

所有撥備會於各報告日期審閱，並作出調整以反映現時之最佳估計。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Provisions, contingent liabilities and contingent assets (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered as contingent assets.

2.17 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2. 重大會計政策概要(續)

2.16 撥備、或然負債及或然資產(續)

如含有經濟利益外流之可能性較低，或是無法對有關金額作出可靠估計，便會將有關義務披露為或然負債，但經濟利益外流之可能性極低則除外。如本集團之潛在義務須視乎某宗或多宗本集團並非全部控制之未來不確定事件是否發生方能確定是否存在，亦會披露為或然負債，惟經濟效益外流之可能性極低則除外。

業務合併產生的或然負債，在收購日期為現時義務的，如果其公允值能夠可靠計量，則按公允值初步確認。按公允值初步確認後，該或然負債按初始確認之金額減累計攤銷(如適用)較高者確認及該金額將於上述可資比較之撥備中確認。不能按公允值可靠計量或於收購日期未構成現時義務之於業務合併中產生的或然負債披露如上。

尚未達到資產確認標準的本集團的可能經濟利益流入被視為或然資產。

2.17 股本

普通股歸類為權益。股本按已發行股份的代價金額確認，扣除任何與發行股份有關的交易成本(扣除任何相關所得稅利益)，惟股本須為該項股權交易直接應佔之增加成本。

本公司自身權益工具的購回會直接於權益內確認及扣除。概無就購買、銷售、發行或取消本公司自身權益工具於損益內確認收益或虧損。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Share capital (Continued)

(i) Shares held for share award scheme

Share awards granted under share award scheme are satisfied by shares acquired by the trustee from the market. Where the Company's shares are acquired from the market by the trustee under the share award scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as "shares held for share award scheme" and deducted from total equity. Upon vesting, the related costs of the vested shares for share award scheme purchased from the market are credited to "shares held for share award scheme".

2.18 Non-current assets, or disposal groups held for sale and discontinued operation

Non-current assets, or disposal groups held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered principally through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

2. 重大會計政策概要(續)

2.17 股本(續)

(i) 股份獎勵計劃項下持有的股份

根據股份獎勵計劃授出的股份獎勵以受託人從市場收購股份的方式結算。倘本公司的股份由受託人根據股份獎勵計劃從市場收購，則從市場所收購股份的總代價(包括任何直接應佔遞增成本)乃呈列為「股份獎勵計劃項下持有的股份」，並從總權益中扣除。於歸屬後，從市場所收購股份獎勵計劃的歸屬股份的有關成本乃計入「股份獎勵計劃項下持有的股份」。

2.18 持作出售的非流動資產或出售組別及已終止經營業務

持作出售的非流動資產或出售組別

非流動資產或包含資產及負債的出售組別如很大可能會主要透過出售而非持續使用方式收回，則分類為持作出售。緊接分類為持作出售前，資產或出售組別之組成部分根據本集團的會計政策重新計量，其後資產或出售組別一般會以賬面值與公允值減銷售成本兩者間之較低者計量。出售組別的任何減值虧損首先分配至商譽，然後再按比例分配至剩餘資產及負債，惟根據本集團會計政策持續計量之存貨、金融資產、遞延稅項資產、僱員福利資產、投資物業或生物資產不會獲分配任何虧損。初始歸類為持作出售類別之減值虧損及其後重新計量的收益或虧損乃於損益中確認。任何超過累計減值虧損的收益均不予確認。

無形資產及物業、廠房及設備一旦分類為持作出售，則不予攤銷或折舊。此外，以權益入賬之被投資方一旦被分類為持作出售，將不再使用權益會計法。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Non-current assets, or disposal groups held for sale and discontinued operation (Continued)

Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. The component comprises operations and cash flows that can be clearly distinguished from the rest of the Group and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount in the consolidated statement of profit or loss and other comprehensive income comprising the total of:(i) the post-tax profit or loss of discontinued operations and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

2.19 Revenue recognition

Revenue arises mainly from provision of gaming services, sponsorship income and advertising income.

To determine whether to recognise revenue, the Group follows a 5-step process:

(1) Identifying the contract with a customer

(2) Identifying the performance obligations

(3) Determining the transaction price

(4) Allocating the transaction price to the performance obligations

(5) Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

2. 重大會計政策概要(續)

2.18 持作出售的非流動資產或出售組別及已終止經營業務(續)

已終止經營業務

已終止經營業務是指本集團出售或分類為持作出售之組成部分。該部分包含可與本集團其他部分明確區分之業務及現金流量，並代表一項獨立之主要業務或主要經營地區，或是擬出售一項獨立之主要業務或一個主要經營地區的單一協調計劃的一部分，或僅為轉售而收購的附屬公司。

當一項業務被分類為已終止經營業務，便會在綜合損益及其他全面收益表中以單一金額列示，並包括下列各項之總和：(i)已終止經營業務之除稅後溢利或虧損及(ii)按公允值減出售成本計量或於出售構成已終止經營業務的資產或出售組別時所確認的除稅後收益或虧損。

2.19 收入確認

收入主要來自提供遊戲服務、贊助收入及廣告收入。

為釐定是否確認收入，本集團遵循以下五個步驟：

(1) 界定與客戶的合約

(2) 界定履約責任

(3) 釐定交易價格

(4) 將交易價格分攤至履約責任

(5) 當／於履約責任達致時確認收入

在所有情況下，合約總交易價格根據其相對單獨售價分配至各履約責任。合約交易價格不包括代表第三方收取的任何金額。

當(或於)本集團透過將承諾的商品或服務轉移至其客戶以履行責任時，收入在某個時間點或隨時間確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Further details of the Group's revenue and other income recognition policies are as follows:

(1) Gaming income

The Group is engaged in the development and operation of online card and board games that consist of PC and mobile games. Our games include self-developed games, licensed games and third-party operated games. The Group also organise and/or hosts online/offline tournaments.

The Group's revenue is principally derived from the sale of ingame virtual goods. Revenue comprises the fair value of the consideration received or receivable for the sale of goods, net of related surcharges and discounts. Substantially all of the Group's games are free to play and players can pay for virtual goods for better in-game experience. Players purchase our virtual currencies for PC games or mobile games (collectively, the "Virtual Currencies"), through third-party payment channels or the purchase of pre-paid game cards. The Virtual Currencies can be used to exchange for virtual goods such as personalised avatars and membership plans. Paying players usually exchange their Virtual Currencies for the virtual goods shortly after purchase. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

(a) PC games

Self-developed games and licensed games

The Group has integrated online game platforms with multiple distribution channels. The Group distributes locally installed PC games and provides services through our proprietary PC client portals, such as Ourgame Hall. The Group also offers web games playable on web pages served by the Group on ourgame.com, wpt.com and by third-party distribution channels, which include websites and web-based portals such as Baidu, Sina Weibo and Qihoo 360.

2. 重大會計政策概要(續)

2.19 收入確認(續)

倘合約載有向客戶提供超過12個月的重大融資利益之融資組成部分，則收入按應收金額的現值計量，並使用反映於與有關客戶的個別融資交易之貼現率貼現，且利息收入根據實際利率法分開應計。倘合約載有向本集團提供重大融資利益之融資組成部分，則根據該合約確認的收入包括根據實際利率法合約責任應計的利息開支。

本集團收入及其他收入確認政策之進一步詳情如下：

(1) 遊戲收入

本集團從事在線棋牌遊戲的開發及運營，當中包括PC及移動遊戲。我們的遊戲包括自主開發的遊戲、特許遊戲及第三方運營的遊戲。本集團亦組織及／或舉辦多場線上／線下比賽。

本集團的收入主要來自銷售遊戲中的虛擬物品。收入包括扣除相關附加費及折扣後就銷售物品已收或應收代價的公允值。本集團幾乎所有的遊戲均可免費遊玩，而玩家可購買虛擬物品，以獲得更佳的遊戲體驗。玩家透過第三方付款渠道或購買預付遊戲卡購買PC遊戲或移動遊戲的虛擬貨幣(統稱「虛擬貨幣」)。虛擬貨幣可用於交換虛擬物品，如個性化頭像及會員計劃。付費玩家一般會於購買虛擬貨幣後隨即用作交換虛擬物品。倘虛擬貨幣可為本集團帶來經濟利益，而收入及成本(如適用)能可靠地計量，則收入將按以下方式予以確認：

(a) PC遊戲

自主開發的遊戲及特許遊戲

本集團已整合網絡遊戲平台及多個分銷渠道。本集團分銷本地安裝的PC遊戲及透過本集團專有的聯眾大廳等PC客戶端提供服務。本集團亦提供經本集團於ourgame.com及wpt.com所提供的網頁以及透過第三方分銷渠道提供可玩的網絡遊戲，該等渠道包括百度、新浪微博及奇虎360等網頁及網絡門戶網站。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(1) Gaming income (Continued)

(a) PC games (Continued)

Self-developed games and licensed games (Continued)

For self-developed games and licensed games, the Group is responsible for hosting the games, providing on-going updates of new contents, technical support for the operations of the games, as well as preventing, detecting and resolving in-game cheating and hacking activities. Third-party distribution and payment channels are responsible for distribution, marketing, platform maintenance, payer authentication and payment collections related to the games.

Third-party distribution channels and payment channels collect the payments from the paying players and remit the cash to the Group, net of commission charges which are pre-determined according to the relevant terms of the agreements entered into between the Group and the third-party distribution or payment channels.

Upon the sales of Virtual Currencies, the Group typically has an implied obligation to provide the services which enable the virtual goods exchanged with the Virtual Currencies to be displayed or used in the games. As a result, the proceeds received from sales of Virtual Currencies are recorded as deferred revenue. With the pre-paid game cards, paying players can credit their user accounts with virtual currencies and exchange for virtual goods in the same way. Proceeds received from the sale of pre-paid game cards are recorded as deferred revenue. The attributable portion of the deferred revenue relating to values of the virtual goods consumed are immediately or ratably recognised as revenue only when the services are rendered to the respective paying players.

For the purposes of determining when services have been provided to the respective paying players, the Group has determined the following:

— Consumable virtual goods represent items (i) that have a predetermined service period; or (ii) where no service is rendered by the Group for the virtual goods immediately after purchase by the paying players. Revenue is recognised (as a release from deferred revenue) when the goods are consumed and the related services are rendered, or ratably over the predetermined service period of the respective consumable virtual goods.

2. 重大會計政策概要(續)

2.19 收入確認(續)

(1) 遊戲收入(續)

(a) PC遊戲(續)

自主開發的遊戲及特許遊戲(續)

就自主開發的遊戲及特許遊戲而言，本集團負責託管遊戲、持續更新有關新增內容、提供遊戲運作的技術支援，以及防止、偵測及解決遊戲內欺詐及黑客入侵活動。第三方分銷及付款渠道負責有關遊戲的分銷、市場推廣、平台維護、付費用戶認證及收取付款。

第三方分銷及付款渠道收取付費玩家的付款，並於扣除佣金收費(其根據本集團與第三方分銷或付款渠道訂立的協議的相關條款預先釐定)後，方向本集團匯入現金。

於出售虛擬貨幣後，本集團一般有固有責任提供服務，以使虛擬貨幣交換的虛擬物品可於遊戲中展示或使用。因此，銷售虛擬貨幣所收取的所得款項將按遞延收入入賬。就預付遊戲卡而言，付費玩家可將虛擬貨幣存入彼等的用戶賬戶內，並可按同一方式交換虛擬物品。銷售預付遊戲卡所收取的所得款項將按遞延收入入賬。有關消耗虛擬物品價值於遞延收入中所佔的部分僅會於向相關付費玩家提供服務時，方可即時或按比例確認為收入。

為釐定向相關付費玩家提供服務的時間，本集團已釐定下列各項：

— 可消耗虛擬物品乃指(i)有預設服務期的物品；或(ii)一旦付費玩家購買虛擬物品後，本集團不會再提供服務的物品。收入(作為遞延收入的解除)乃於物品獲消耗而有關服務獲提供時，或於相關可消耗虛擬物品的預設服務期內按比例確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(1) Gaming income (Continued)

(a) PC games (Continued)

Self-developed games and licensed games (Continued)

— Durable virtual goods represent items that have no predetermined service period and are accessible and beneficial to paying players over an extended period of time. Revenue is recognised ratably over the expected life of the respective durable virtual goods ("Player Relationship Period").

For self-developed games and licensed games, the computer systems of the Group captures all player data, such as log-in data, purchase and delivery records for the Virtual Currencies sold and the virtual goods exchanged with the Virtual Currencies. The Group estimates the Player Relationship Period based on an overall game by game basis and platform by platform basis and reassesses such periods annually. If there are insufficient data to determine the Player Relationship Period, such as in the case of a newly launched game, the Group estimates the Player Relationship Period based on other similar types of games developed by the Group or by third-party developers until the new game establishes its own patterns and history. The Group mainly considers the paying players' spending and consumption behaviour in estimating the Player Relationship Period, which typically represents the time interval between paying players' consecutive recharges of their user accounts with additional Virtual Currencies and represents a reasonable estimate of the average expected life of the durable virtual items for the applicable game.

If the Group does not have the ability to differentiate revenue attributable to durable virtual goods from consumable virtual goods for a specific product, item or game, the Group recognises revenue from both durable and consumable virtual goods ratably over the average life of the durable virtual products or goods, or over the Player Relationship Period.

For revenues relating to self-developed games and licensed games, the Group has evaluated the roles and responsibilities of the Group, the game license holders and the third-party distribution and payment channels in the delivery of game experience to the paying players and concluded the Group takes the primary responsibilities in rendering services. The Group is determined to be the primary obligor and, accordingly, the Group records revenue on a gross basis, and commission charges by game license holders and third-party distribution and payment channels are recorded as cost of revenue.

2. 重大會計政策概要(續)

2.19 收入確認(續)

(1) 遊戲收入(續)

(a) PC遊戲(續)

自主開發的遊戲及特許遊戲(續)

— 耐用虛擬物品指無預設服務期且於延長期間內付費玩家仍可使用並受益的物品。收入於相關耐用虛擬物品的預期使用期內(「玩家關係持續期間」)按比例確認。

就自主開發的遊戲及特許遊戲而言，本集團的電腦系統記錄所有玩家數據，如登入數據、已售虛擬貨幣的購買及交付記錄以及以虛擬貨幣交換的虛擬物品。本集團乃根據整體個別遊戲基準及平台基準估計玩家關係持續期間，並每年重新評估該等關係期。倘無足夠數據釐定玩家關係持續期間，如就新推出遊戲而言，本集團會根據本集團或第三方開發商所開發的其他同類型遊戲估計玩家關係持續期間，直至新遊戲建立出自身的模式及記錄。本集團於估計玩家關係持續期間時主要考慮付費玩家的花費及消費行為，玩家關係持續期間通常指付費玩家連續充值額外虛擬貨幣至其用戶賬戶的時距，並指合理估計的適用遊戲的耐用虛擬物品的平均預期使用期。

就特定產品、物品或遊戲而言，若本集團無法從可消耗虛擬物品中區別耐用虛擬物品應佔收入，本集團於耐用虛擬產品或物品的平均使用期或玩家關係持續期間內按比例確認耐用及可消耗的虛擬物品兩者的收入。

就有關自主開發的遊戲及特許遊戲的收入而言，本集團向付費玩家交付遊戲體驗時已評估本集團、遊戲特許權持有人及第三方分銷及付款渠道的角色及責任，而結論為本集團須於提供服務時承擔主要責任。本集團獲釐定為主要負責人，因此本集團的收入按總數基準入賬，而遊戲特許持有人以及第三方分銷及付款渠道所收取的佣金則按收入成本入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(1) Gaming income (Continued)

(a) PC games (Continued)

Third-party operated games

The Group also distributes games developed and operated by third-party developers on the Group's own web proprietary platform including the Group's client portal and websites. The Group's revenue mainly consists of pre-determined portions of total player payments according to the relevant terms of the agreements entered into between the Group and the game developers.

The games distributed on the Group's platform are hosted, maintained, operated and updated independently by the game developers, and the Group mainly provide players with access to the Group's platform to download the third-party developers' games and limited after-sale basic technical support to the paying players. The Group has evaluated and determined it is not the primary obligor in the services rendered to the paying players as a platform. Accordingly, the Group records its revenue net of the portion of sharing of revenues with the game developers.

As the Group provides merely the first contact point by the players to gain access to download the third-party developers' games, the Group believes that its implied obligation to the game developers do not correspond to the game developers' implied obligation to provide the service which enables the virtual goods to be displayed and used in the games. Given that games are hosted, managed, administered and operated by the game developers, the Group does not have access to the data on the consumption details and the types of virtual goods purchased by the paying players. The Group only maintains individual paying player's purchase history of the Virtual Currencies which are used to exchange for virtual goods in the third-party operated games. As such, the Group has adopted a policy to recognise revenue when the paying players exchange the Virtual Currencies for consumable or durable virtual goods for the relevant games.

(b) Mobile games

The Group distributes mobile games and provides services mainly for Android and iOS operating systems through third-party distribution and payment channels, including mobile operators in the PRC ("Mobile Operators").

2. 重大會計政策概要(續)

2.19 收入確認(續)

(1) 遊戲收入(續)

(a) PC遊戲(續)

第三方運營的遊戲

本集團亦於自身專有網頁平台(包括本集團客戶端及網站)分銷第三方開發商所開發及運營的遊戲。本集團的收入主要包括根據本集團與遊戲開發商訂立的協議的相關條款中所述總玩家付款的預定部分。

於本集團平台上分銷的遊戲乃由遊戲開發商獨立地託管、維護、運營及更新，而本集團主要連接玩家至本集團的平台，以下載第三方開發商的遊戲及為付費玩家提供有限度的售後基本技術支援。本集團已評估並確認，本集團作為平台於向付費玩家提供服務方面並非為主要負責人。因此，本集團入賬的收入乃為扣除與遊戲開發商分佔收入的部分。

由於本集團僅為玩家提供首次接觸點以連接並下載第三方開發商的遊戲，本集團相信，本集團對遊戲開發商的固有責任與遊戲開發商提供能使虛擬物品得以於遊戲中展示及使用的服務方面的固有責任並非一致。鑒於遊戲乃由遊戲開發商所託管、管理、運行及運營，本集團無法取得有關消費詳情及付費玩家所購買虛擬物品種類的數據。本集團僅可保存個別付費玩家購買虛擬貨幣的記錄，虛擬貨幣可於第三方運營的遊戲中用作交換虛擬物品。因此，本集團已採納一項政策，以於付費玩家用虛擬貨幣交換相關遊戲的可消耗或耐用虛擬物品時確認收入。

(b) 移動遊戲

本集團主要透過第三方分銷及付款渠道(包括中國的移動運營商(「移動運營商」))為安卓及iOS操作系統分銷移動遊戲及提供服務。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(1) Gaming income (Continued)

(b) Mobile games (Continued)

Self-developed games — Single player games

During the year, substantially all of the Group's mobile games are single player games or have single player modes ("Single Player Games"). Virtual goods of the Single Player Games are purchased when the players are online and can be consumed irrespective of whether or not they are connected to the internet. Only the purchase of such virtual goods requires connection to the internet. Once the players confirm their purchase requests via Mobile Operators' payment channels, the purchased virtual goods are automatically available in the downloaded game. Future play and use of the purchased virtual goods do not require internet connectivity or any involvement from the Group. Players do not need to connect to online servers to play the game or utilise the purchased virtual goods on their mobile devices and hence the Group has no obligation to deliver any further services to the paying players. As a result, all services are rendered immediately upon the sale and delivery of the virtual goods.

The gross revenue from mobile games includes provision for doubtful debts or bad debts as assessed by the Mobile Operators. For mobile games, the computer system of the Group captures limited data such as certain purchase and delivery records of the virtual goods. The Group contracts with the Mobile Operators which include billing and collection services. The Mobile Operators provide the Group with monthly statements that represent the principal evidence that virtual goods has been sold and delivered. The Mobile Operators remit to the Group only amounts net of channel commission charges and an allowance that Mobile Operators have made for the doubtful debts in respect of the amounts due to the Group from the paying players. The Mobile Operators do not provide an itemised analysis of their remittances and the usage of the virtual goods and the Group is therefore unable to determine what allowance, if any, for doubtful or bad debts should be recorded with respect to services delivered through them. As a result, based on the amounts reported on the Mobile Operator's monthly statements, which are net of doubtful debts and represent the amounts the Group reasonably believes will be collected, the Group records the gross proceeds (net of provision for doubtful debts) as revenue and the channel commission charges are recorded as cost of revenue.

2. 重大會計政策概要(續)

2.19 收入確認(續)

(1) 遊戲收入(續)

(b) 移動遊戲(續)

自主開發的遊戲－單機遊戲

於年內，本集團絕大部份的移動遊戲均為單機遊戲或具有單機模式(「單機遊戲」)。單機遊戲的虛擬物品由玩家於上線時購買且不論其是否連接互聯網時均可使用。只有購買有關虛擬物品時方須連接到互聯網。玩家一旦透過移動運營商的付款渠道確認其購買要求，所購買的虛擬物品會自動於已下載的遊戲中出現。所購買的虛擬物品於日後遊玩及使用時並不需要連接到互聯網或本集團的任何參與。玩家無須連接線上服務器亦可於其移動設備上參與該遊戲或使用所購買的虛擬物品，故此本集團並無責任向付費玩家提供任何其他服務。因此，所有服務均於出售及交付虛擬物品後立即提供。

來自移動遊戲的總收入包括移動運營商所評估的呆壞賬撥備。就移動遊戲而言，本集團的電腦系統記錄有限的數據，如若干購買及交付虛擬物品的記錄。本集團與移動運營商訂立合約，當中包括發送賬單及收款服務。移動運營商向本集團提供的月結單乃為虛擬物品已售出及交付的主要憑證。移動運營商僅於扣除渠道佣金費用及移動運營商就有關付費玩家結欠本集團的金額作出的呆賬撥備後方向本集團匯入款項。移動運營商不會提供其匯款及虛擬物品使用的項目分析，故本集團未能就有關透過其交付的服務釐定呆壞賬的撥備(如有)。因此，根據移動運營商的月結單所報告的金額(該金額已扣除呆賬及呈列本集團合理相信將收取的金額)，本集團將所得款項總額(扣除呆賬撥備)入賬為收入，而渠道佣金費用則入賬為收入成本。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(1) Gaming income (Continued)

(b) Mobile games (Continued)

Self-developed games with connected internet game play

For revenue derived from self-developed mobile games with connected internet game play, the Group follows the policies of PC games — "Self-developed games and licensed games" as the operations of the two types of games are similar. The Virtual Currencies can be used to exchange for virtual goods such as symbol and membership plans. Paying players usually exchange their Virtual Currencies for the virtual goods shortly after purchase.

Third-party distribution channels and payment channels collect the payments from the paying players and remit the cash to the Group, net of commission charges which are pre-determined according to the relevant terms of the agreements entered into between the Group and the third-party distribution or payment channels. For paying players who use payment channels of the Mobile Operators, cash remitted to the Group are also net of provision for doubtful debts or bad debts as assessed by the Mobile Operators as detailed in single player mobile games above.

Upon the sales of Virtual Currencies, the Group typically has an implied obligation to provide the services which enable the virtual goods exchanged with the Virtual Currencies to be displayed or used in the games. As a result, the proceeds (net of provision for doubtful debts assessed by Mobile Operators, if applicable) received from sales of Virtual Currencies are recorded as deferred revenue. The attributable portion of the deferred revenue relating to values of the virtual goods are recognised as revenue (as a release from deferred revenue) when the goods are consumed and the related services are rendered, i.e. ratably over the predetermined service period of the respective virtual goods.

For revenues relating to self-developed mobile games, the Group has evaluated the roles and responsibilities of the Group, and the third-party distribution and payment channels in the delivery of game experience to the paying players and concluded the Group takes the primary responsibilities in rendering services. The Group is determined to be the primary obligor and, accordingly, the Group records revenue on a gross basis, and commission charges by third-party distribution and payment channels are recorded as cost of revenue.

2. 重大會計政策概要(續)

2.19 收入確認(續)

(1) 遊戲收入(續)

(b) 移動遊戲(續)

連接至互聯網遊戲的自主開發的遊戲

就連接至互聯網遊戲的自主開發的移動遊戲所得收入而言，由於兩類遊戲的運營相似，故本集團遵循PC遊戲—「自主開發的遊戲及特許遊戲」的政策。虛擬貨幣可用於交換虛擬物品(如標誌及會員計劃)。付費玩家一般於購買虛擬貨幣後隨即用作交換虛擬物品。

第三方分銷及付款渠道收取付費玩家的付款，並於扣除佣金收費(其根據本集團與第三方分銷或付款渠道訂立的協議的相關條款而預先釐定)後，方向本集團匯入現金。就使用移動運營商付款渠道的付費玩家而言，向本集團匯入的現金亦已扣除移動運營商所評估的呆壞賬撥備，詳情載於上文移動單機遊戲。

於出售虛擬貨幣後，本集團一般有固有責任提供服務，以使虛擬貨幣作交換的虛擬物品可於遊戲中得以展示或使用。因此，銷售虛擬貨幣所收取的所得款項(扣除移動運營商所評估的呆賬撥備(如適用))將入賬為遞延收入。當虛擬物品獲消耗及有關服務獲提供時，有關虛擬貨品價值的遞延收入的應佔部分乃確認為收入(作為遞延收入的解除)，即於相關虛擬物品的預設服務期內按比例確認。

就有關自主開發的移動遊戲的收入而言，本集團已評估向付費玩家交付遊戲體驗時本集團及第三方分銷及付款渠道的角色及責任，而結論為本集團須於提供服務時承擔主要責任。本集團獲釐定為主要負責人，並因此本集團的收入乃按總數基準入賬，而第三方分銷及付款渠道所收取的佣金則按收入成本入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(1) Gaming income (Continued)

(b) Mobile games (Continued)

Third-party operated games

For revenue derived from third-party operated mobile games, the Group follows the policies of PC games — "Third-party operated games" as the operations of the two types of games are similar. The games distributed on the Group's and third-party distributors' platform are hosted, maintained, operated and updated independently by the game developers, and the Group mainly provide players with access to the Group's platform to download the third-party developers' games and limited after-sale basic technical support to the paying players. The Group has evaluated and determined it is not the primary obligor in the services rendered to the paying players as a platform. Accordingly, the Group has adopted a policy to recognise revenue when the paying players purchase the virtual currencies for consumable or durable virtual goods for the relevant games and records its revenue net of the portion of sharing of revenues with the game developers.

(2) Sponsorship income and advertising income

Sponsorship income and advertising income is recognised when the promotion or tournament events have been held; or the services have been rendered.

(3) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.

2.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under "other income" in the consolidated statement of profit or loss and other comprehensive income.

2. 重大會計政策概要(續)

2.19 收入確認(續)

(1) 遊戲收入(續)

(b) 移動遊戲(續)

第三方運營的遊戲

就第三方運營的遊戲所得收入而言，由於兩類遊戲的運營相似，故本集團遵循PC遊戲一「第三方運營的遊戲」的政策。於本集團及第三方分銷商的平台上分銷的遊戲乃由遊戲開發商獨立地託管、維護、經營及更新，而本集團主要連接玩家至本集團的平台，以下載第三方開發商的遊戲及為付費玩家提供有限度的售後基本技術支援。本集團已評估並確認，本集團作為平台於向付費玩家提供服務方面並非為主要負責人。因此，本集團已採納一項政策，於付費玩家用虛擬貨幣購買相關遊戲的可消耗或耐用虛擬物品時確認收入，並將已扣除與遊戲開發商分佔收入部分後的收入入賬。

(2) 贊助收入及廣告收入

贊助收入及廣告收入於推廣活動或賽事已舉辦時或服務已提供時確認。

(3) 利息收入

利息收入採用實際利率法按時間比例基準確認。就出現信貸減值的金融資產而言，實際利率法用於資產的攤銷成本(即賬面總值扣除預期信貸虧損撥備)。

2.20 政府補助

當能夠合理保證政府補助將可收取且本集團符合所有附帶條件時，政府提供的補助將按其公允值確認。政府補助遞延入賬，並於相應期間在損益中確認以使其與擬補償的補助成本相匹配。

與收入有關的政府補助合計列示於綜合損益及其他全面收益表內「其他收入」項下。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Goodwill arising on acquisition of a subsidiary;
- Other intangible assets;
- Property, plant and equipment;
- Interests in associates; and
- The Company's interests in subsidiaries

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

2. 重大會計政策概要(續)

2.21 非金融資產減值

以下資產須進行減值測試：

- 收購一間附屬公司產生的商譽；
- 其他無形資產；
- 物業、廠房及設備；
- 於聯營公司的權益；及
- 本公司於附屬公司的權益

具有無限使用年期的或尚不可使用的商譽及其他無形資產每年均至少進行一次減值測試，而無論其是否有任何減值的跡象。所有其他資產均於該等資產賬面值出現可能無法收回的跡象時進行減值測試。

減值虧損於就資產賬面值超逾其可收回金額的金額即時確認為開支。可收回金額為公允值(反映市場狀況減出售成本)與使用價值兩者中的較高者。於評估使用價值時，估計日後現金流量使用稅前貼現率貼現至其現值，以反映現時市場對金錢時間值及該資產之特定風險之評估。

就減值評估而言，若資產未能產生很大程度上獨立於其他資產的現金流入，則可收回金額乃就獨立產生現金流入的最小組別資產(即現金產生單位)釐定。因此，若干資產會個別進行減值測試，而若干資產則於現金產生單位層面進行測試。具體而言，商譽分配至該等預期受惠於相關業務合併所帶來協同效應之現金產生單位，即集團內部管理監控商譽之最小單位，且不會大於營運分部。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Impairment of non-financial assets (Continued)

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2.22 Employee benefits

(a) Pension obligations

The Group has various defined contribution plans in accordance with the local conditions and practices in the municipalities and provinces in which they operate. Defined contribution plans are pension and/or other social benefit plans under which the Group pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognised as labour costs when they are due. Under the defined contribution schemes, forfeited contributions could not be used to reduce the existing level of contributions.

(b) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present contractual or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2. 重大會計政策概要(續)

2.21 非金融資產減值(續)

就已獲分配商譽之現金產生單位確認之減值虧損初步計入商譽賬面值。任何餘下減值虧損按比例自現金產生單位的資產中扣除，惟資產賬面值將不會減至低於其個別公允值減出售成本或使用價值(如可予釐定)。

商譽減值虧損於其後期間不可撥回。若用以釐定資產可收回金額的估計已出現有利變動，就其他資產而言，減值虧損會予以撥回，惟撥回只限於資產的賬面值不超過在並無確認減值虧損情況下而原應釐定的賬面值(經扣除折舊或攤銷)。

於中期期間就商譽確認之減值虧損於隨後期間不會予以撥回。假設有關中期期間之減值僅於該財政年度終結時進行評估，即使並無確認虧損，或虧損屬輕微，皆採用以上相同處理方法。

2.22 僱員福利

(a) 養老金責任

本集團按其營運所在城市及省份的當地情況及慣例設有多個定額供款計劃。定額供款計劃為本集團向獨立實體(基金)繳付定額供款的退休金及／或其他社會福利計劃，若該基金沒有足夠資產支付所有有關目前期間及以往期間僱員服務的僱員福利，本集團並無進一步繳付供款的法定或推定責任。供款於屆滿時確認為勞動成本。於界定供款計劃下，已被沒收的供款不可以動用以減低現有的供款水平。

(b) 獎金津貼

支付獎金的預期成本在僱員提供服務而令本集團產生現有的合約或推定責任，且能可靠估算其責任時確認為負債。獎金負債預期於十二個月內結清並按結清時預期將予支付的金額計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(c) Equity-settled share-based compensation transactions

The Group operates a number of equity-settled share-based compensation plans under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognised as expense.

The total amount to be expensed is determined by reference to the fair value of the equity instruments granted including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options and shares that are expected to vest. The total expense is recognised over the vesting period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-marketing performance and service conditions. The Group recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2. 重大會計政策概要(續)

2.22 僱員福利(續)

(c) 以權益結算、以股份為基礎的酬金交易

本集團運作眾多以權益結算、以股份為基礎的酬金計劃，據此，本集團獲取僱員的服務作為本集團權益工具(購股權)的代價。授出權益工具換取的服務的公允值確認為開支。

將予支出的總金額乃參考所授出的權益工具的公允值(包括任何市場表現狀況；不包括任何服務及非市場表現歸屬條件的影響；及包括任何非歸屬條件的影響)而釐定。

非市場表現及服務條件已包括在有關預期將予歸屬的購股權及股份數目的假設中。總開支須於達致所有指定的歸屬條件的歸屬期間確認。

於各報告期末，本集團根據非市場表現及服務條件修訂其有關預期將予歸屬的購股權及股份數目的估計。本集團於損益中確認修訂原有估計的影響(如有)，同時對權益作出相應的調整。

若修訂以權益結算的獎勵條款且符合獎勵的原有條款，所確認的開支最少須達到猶如條款並無任何變更的水準。此外，若按修訂日期計量，任何修訂導致以股份為基礎的付款的總公允值有所增加，或為僱員帶來其他利益，則應就該等修訂確認開支。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(c) Equity-settled share-based compensation transactions (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(d) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity (share option reserve) in the separate financial statements of the Company.

2.23 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2. 重大會計政策概要(續)

2.22 僱員福利(續)

(c) 以權益結算、以股份為基礎的酬金交易(續)

若以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認為獎勵的開支，均應立刻確認。該等獎勵包括本集團或僱員不符合非歸屬條件時的任何獎勵。然而，若授予新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷的獎勵及新獎勵，均應被視為原獎勵的修訂，一如前段所述。

購股權獲行使時，本公司發行新股份。所收取的所得款項於扣除任何直接應佔交易成本後計入股本(面值)及股份溢價。

(d) 集團實體間以股份為基礎的支付交易

本公司向本集團附屬企業僱員授出其權益工具的購股權均被當作為注資。所獲得的僱員服務公允值乃參考授出日期的公允值計量，並於歸屬期確認為增加對附屬企業的投資，並相應計入本公司獨立財務報表的權益(購股權儲備)。

2.23 借款成本

就收購、建造或生產任何合資格資產所招致的借款成本扣除特定借款作暫時投資賺取的任何投資收入後，於完成或準備資產作擬定用途所需要的期間予以資本化。合資格資產為需要相當一段時間才能作擬定用途或銷售的資產。其他借款成本於產生時支銷。

當招致資產開支、產生借款成本及進行準備資產作擬定用途或銷售所必需的活動時，借款成本作為合資格資產的一部分成本予以資本化。借款成本資本化於準備合資格資產作擬定用途或銷售的絕大部分活動完成時停止。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

2. 重大會計政策概要(續)

2.24 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及/或負債包括本期或以往報告期間(且於報告日期尚未支付),向財金當局繳納稅金的責任,或取回稅金的權利。所得稅乃按年內應課稅利潤,按有關財政期間適用稅率及稅法計算。即期稅項資產或負債的所有變動均作為稅項開支的一部分於損益中確認。

遞延稅項乃按報告日期資產及負債在財務報表的賬面值與其各自稅基之間的暫時性差額以負債法計算。一般情況下,所有應課稅暫時性差額產生的遞延稅項負債均予確認。所有可扣稅暫時性差額、可供結轉稅損及其他未用稅項抵免產生之遞延稅項資產,只會在很可能有應課稅利潤(包括現有應課稅暫時性差額)用作抵銷該等可扣稅暫時性差額、未用稅損及未用稅項抵免之情況下,才予以確認。

倘商譽或於一宗交易中首次確認(業務合併除外)的資產或負債產生的暫時性差額並不影響應課稅利潤或會計利潤或虧損,則不會就此確認遞延稅項資產及負債。

投資附屬公司及聯營公司所產生的應課稅暫時性差額須確認遞延稅項負債,惟若本集團可以控制撥回暫時性差額的時間及暫時性差額可能不會在可見將來撥回者則除外。

遞延稅項(並無折現)按於負債清償或資產變現期間預期適用稅率計算,惟稅率須於報告日期已頒佈或實質上已頒佈。

遞延稅項資產或負債變動在損益內確認,或若其與於其他全面收益內或直接於權益中扣除或計入的項目有關,則在其他全面收益確認,或直接於權益確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Accounting for income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or Board, where appropriate.

2. 重大會計政策概要(續)

2.24 所得稅會計處理(續)

當且僅當出現下列情況時，即期稅項資產及即期稅項負債按淨額呈列，

(a) 本集團擁有抵銷已確認金額的合法行使權利；及

(b) 擬按淨額基準結算，或同時變現資產及清償負債。

本集團於且僅於以下情況以淨額呈列遞延稅項資產及遞延稅項負債，

(a) 實體具有合法行使權力將即期稅項資產與即期稅項負債對銷；及

(b) 遞延稅項資產與遞延稅項負債與同一稅務機關對以下任何一項所徵收的所得稅相關：

(i) 同一應課稅實體；或

(ii) 計劃於預期清償或收回大額遞延稅項負債或資產之未來期間以淨額基準清償即期稅項負債與資產或同時變現資產及清償負債的不同應課稅實體。

2.25 股息分派

向本公司股東作出的股息分派，在股息獲本公司股東或董事會(倘適用)批准的期間，於本集團及本公司財務報表中確認為一項負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors (i.e. chief operating decisions-makers) for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

Continuing operations

(i) Online games business — Lianzhong Group — Mobile Business: online card and board games mobile business carried out by Lianzhong Group

(ii) Online games business — Peerless Group: online card and board games business carried out by Peerless Group

(iii) eSports business: sports e-commerce business and other non-card-and-board games new internet businesses

Discontinued operations

(iv) Online games business — Lianzhong Group — PC Business: online card and board games PC business carried out by Lianzhong Group

Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for reporting segment results under IFRS 8 are the same as those used in its financial statements prepared under IFRSs, except that share-based compensation expense and income tax credit/(expense) are not included in arriving at the operating results of the operating segment.

Segment assets include all assets in the consolidated financial statements. Segment liabilities include all liabilities in the consolidated financial statements.

2. 重大會計政策概要(續)

2.26 分部報告

本集團根據向執行董事(即主要經營決策人)定期呈報的內部財務資料(供彼等決定本集團各業務組成部分的資源分配並檢討該等組成部分的表現)識別其經營分部及編製分部資料。向執行董事報告的內部財務資料中提及的業務組成部分是根據本集團的產品及服務項目決定。

本集團已釐定下列可呈報分部:

持續經營業務

(i) 線上遊戲業務 — 聯眾集團 — 移動業務:聯眾集團開展的線上棋牌遊戲移動業務

(ii) 線上遊戲業務 — Peerless集團:Peerless Group開展的線上棋牌遊戲業務

(iii) 電競業務:體育電商業務以及其他非棋牌遊戲等新網絡業務

已終止經營業務

(iv) 線上遊戲業務 — 聯眾集團—PC業務:聯眾集團開展的線上棋牌遊戲PC業務

由於各服務項目需要不同的資源及營銷方針,該等經營分部須分開管理。所有分部間轉讓按公平價格進行。

本集團為根據國際財務報告準則第8號報告分部業績所使用的計量政策與根據國際財務報告準則編製其財務報表所用者相同,惟以股份為基礎的酬金開支及所得稅抵免/(開支)不計入經營分部的經營業績。

分部資產包括綜合財務報表中的所有資產。分部負債包括綜合財務報表中的所有負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

  (i) the entity and the Group are members of the same group.

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) the entity and the Group are joint ventures of the same third party.

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

  (vi) the entity is controlled or jointly controlled by a person identified in (a).

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. 重大會計政策概要(續)

2.27 關聯方

就該等綜合財務報表而言，一方被視為與本集團有關連，倘：

(a) 如屬以下人士，即該方該人士或該人士之近親與本集團有關連：

  (i) 控制或共同控制本集團；

  (ii) 對本集團有重大影響力；或

  (iii) 為本集團或本集團母公司的主要管理層成員。

(b) 如符合下列任何條件，即該方為一間實體：

  (i) 該實體與本集團屬同一集團之成員公司。

  (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體所屬集團旗下成員公司的聯營公司或合營企業)。

  (iii) 實體與本集團均為同一第三方的合營企業。

  (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

  (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職後福利計劃。

  (vi) 實體受(a)所識別人士控制或受共同控制。

  (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

  (viii) 該實體，或其所屬集團之任何成員，向本集團或本集團之母公司提供主要管理層服務。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 重大會計政策概要(續)

2.27 關聯方(續)

相關人士的近親乃指彼等與實體間交易時預期可影響該名相關人士或受該名相關人士影響的家族成員。

3. ADOPTION OF NEW AND AMENDED IFRSs

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018

In the current year, the Group has applied for the first time the following new and amended IFRSs, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2018:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IFRS 1	As part of the Annual Improvements to IFRSs 2014–2016 Cycle
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014–2016 Cycle
Amendments to IAS 40	Transfers of Investment Property
IFRIC-Int 22	Foreign Currency Transactions and Advance Consideration

The impact of the adoption of the new and amended IFRSs are discussed below. Other than as noted below, the adoption of the new and amended IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

3. 採納新訂及經修訂國際財務報告準則

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則

於本年度，本集團已首次應用與本集團營運相關，且對本集團於二零一八年一月一日開始之年度期間之綜合財務報表有效之新訂及經修訂國際財務報告準則如下：

國際財務報告準則第9號	金融工具
國際財務報告準則第15號	來自客戶合約之收益及相關修訂本
國際財務報告準則第2號(修訂本)	以股份為基礎支付之交易之分類與計量
國際財務報告準則第4號(修訂本)	與國際財務報告準則第4號保險合約一併應用之國際財務報告準則第9號金融工具
國際財務報告準則第1號(修訂本)	作為國際財務報告準則二零一四年至二零一六年週期之年度改進一部分
國際會計準則第28號(修訂本)	作為國際財務報告準則二零一四年至二零一六年週期之年度改進一部分
國際會計準則第40號(修訂本)	轉撥投資物業
國際財務報告詮釋委員會－詮釋第22號	外幣交易及預付代價

採納新訂及經修訂國際財務報告準則之影響敘述如下。除下述者外，採納新訂及經修訂國際財務報告準則並無對編製及呈列目前及過往期間之業績及財務狀況之方式造成重大影響。

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018 (Continued)

IFRS 9 "Financial Instruments"

IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "ECL model" for the impairment of financial assets.

When adopting IFRS 9, the Group has applied the standard retrospectively to items that existed at 1 January 2018 in accordance with the transition requirement and also applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement and impairment are recognised in retained earnings.

The adoption of IFRS 9 has impacted the following areas:

- the classification and measurement of the Group's financial assets.
- investments in unlisted equity investments previously classified as available-for-sale financial assets under IAS 39 measured at cost less impairment, are now measured at FVTPL upon adoption of IFRS 9. The carrying amount was restated from RMB154,344,000 to its fair value of RMB83,692,000 as at 1 January 2018, and the difference of RMB70,652,000 are being recognised in retained earnings as at 1 January 2018.
- investments in unlisted trust funds previously classified as available-for-sale financial assets under IAS 39 measured at cost less impairment, are now measured at FVTPL upon adoption of IFRS 9. These investments have been stated at fair value and there was no significant difference between the fair value and the carrying amount of the investments as at 1 January 2018, therefore no adjustments to the opening equity.

3. 採納新訂及經修訂國際財務報告準則(續)

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號「金融工具」

國際財務報告準則第9號將取代國際會計準則第39號「金融工具：確認及計量」。該準則對金融資產分類及計量原指引作出重大變動，並就金融資產減值引入「預期信貸虧損模式」。

採納國際財務報告準則第9號時，本集團根據過渡規定對於二零一八年一月一日存續之項目追溯應用該準則，並應用過渡性寬免及不重列過往期間。採納國際財務報告準則第9號於分類、計量及減值方面之差額將於保留盈利中確認。

採納國際財務報告準則第9號影響以下範圍：

- 本集團金融資產之分類及計量。
- 先前根據國際會計準則第39號分類為可供出售金融資產，並按成本扣除減值計量之非上市股本投資，現於採納國際財務報告第9號後按公允值計入損益計量。賬面值由二零一八年一月一日的人民幣154,344,000元重列為其公允值人民幣83,692,000元，而差額人民幣70,652,000元會於二零一八年一月一日的保留盈利中確認。
- 先前根據國際會計準則第39號分類為可供出售金融資產，並按成本扣除減值計量之非上市信託基金投資，現於採納國際財務報告第9號後按公允值計入損益計量。該等投資以公允值列賬，惟於二零一八年一月一日，投資的公允值與賬面值之間並無顯著差異，故並無對年初股本作出調整。

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018 (Continued)

IFRS 9 "Financial Instruments" (Continued)

— IFRS 9 replaces the "incurred loss" model in IAS 39 with the ECL model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECL earlier than under the "incurred loss" accounting model in IAS 39.

The Group applies the new ECL model to the following items:

— financial assets measured at amortised cost (including bank balances and cash, loans to associates and third parties, trade and other receivables and other non-current receivable (including current portion)).

For trade receivables, the Group applies a simplified approach of recognising lifetime ECL as these items do not have a significant financing component. For other financial assets measured at amortised cost, the Group applies a general approach of recognising ECL.

Upon the adoption of IFRS 9, the Group recognised additional total ECL on the Group's trade and other receivables and loans to associates and third parties of RMB14,229,000 which resulted in a decrease in retained earnings to RMB336,037,000 as at 1 January 2018.

3. 採納新訂及經修訂國際財務報告準則(續)

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號「金融工具」(續)

— 國際財務報告準則第9號以預期信貸虧損模式取代國際會計準則第39號之「所產生虧損」模式。預期信貸虧損模式要求持續計量與金融資產有關之信貸風險，因此較國際會計準則第39號之「所產生虧損」會計模式提早確認預期信貸風險。

本集團對以下項目應用預期信貸虧損模式：

— 按攤銷成本計量之金融資產(包括銀行結餘及現金、給予聯營公司及第三方之貸款、貿易及其他應收款項以及其他非流動應收款項(包括即期部分))。

就貿易應收款項而言，本集團應用確認全期預期信貸虧損之簡化模式，原因為該等項目並無重大融資部分。就按攤銷成本計量的其他金融資產而言，本集團應用確認預期信貸虧損之一般方法。

採納國際財務報告準則第9號後，本集團就本集團之貿易及其他應收款項以及給予聯營公司及第三方之貸款確認額外預期信貸虧損總額人民幣14,229,000元，導致二零一八年一月一日之保留盈利減少人民幣336,037,000元。

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

3. 採納新訂及經修訂國際財務報告準則(續)

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018 (Continued)

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則(續)

IFRS 9 "Financial Instruments" (Continued)

國際財務報告準則第9號「金融工具」(續)

	Measurement category 計量類別				
	Original IAS 39 category 原先之國際會計準則第39號類別	New IFRS 9 category 新訂國際財務報告準則第9號類別	31 December 2017 (IAS 39) 二零一七年十二月三十一日(國際會計準則第39號) RMB'000 人民幣千元	Adoption of IFRS 9 remeasurement 採納國際財務報告準則第9號重新計量 RMB'000 人民幣千元	1 January 2018 (IFRS 9) 二零一八年一月一日(國際財務報告準則第9號) RMB'000 人民幣千元
Non-current financial assets 非流動金融資產					
Unlisted equity investments 非上市股本投資	Available-for-sale financial assets 可供出售金融資產	FVTPL 按公允值計入損益	154,344	(70,652)	83,692
Loans to associates 給予聯營公司之貸款	Amortised cost 攤銷成本	Amortised cost 攤銷成本	21,979	(2,088)	19,891
Loans to third parties 給予第三方之貸款	Amortised cost 攤銷成本	Amortised cost 攤銷成本	14,430	(1,371)	13,059
Other non-current receivable 其他非流動應收款項	Amortised cost 攤銷成本	Amortised cost 攤銷成本	256	—	256
			191,009	(74,111)	116,898

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

3. 採納新訂及經修訂國際財務報告準則(續)

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018 (Continued)

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則(續)

IFRS 9 "Financial Instruments" (Continued)

國際財務報告準則第9號「金融工具」(續)

	Measurement category 計量類別				
	Original IAS 39 category 原先之國際會計準則第39號類別	New IFRS 9 category 新訂國際財務報告準則第9號類別	31 December 2017 (IAS 39) 二零一七年十二月三十一日(國際會計準則第39號) RMB'000 人民幣千元	Adoption of IFRS 9 remeasurement 採納國際財務報告準則第9號重新計量 RMB'000 人民幣千元	1 January 2018 (IFRS 9) 二零一八年一月一日(國際財務報告準則第9號) RMB'000 人民幣千元
Current financial assets 流動金融資產					
Trade and other receivables 貿易及其他應收款項	Amortised cost 攤銷成本	Amortised cost 攤銷成本	402,400	(7,345)	395,055
Loans to associates 給予聯營公司之貸款	Amortised cost 攤銷成本	Amortised cost 攤銷成本	7,132	(371)	6,761
Loans to third parties 給予第三方之貸款	Amortised cost 攤銷成本	Amortised cost 攤銷成本	58,735	(3,054)	55,681
Current portion of other non-current receivable 其他非流動應收款項之即期部分	Amortised cost 攤銷成本	Amortised cost 攤銷成本	38,872	—	38,872
Unlisted trust funds 非上市信託基金	Available-for-sale financial assets 可供出售金融資產	FVTPL 按公平值計入損益	20,000	—	20,000
Bank balances and cash 銀行結餘及現金	Amortised cost 攤銷成本	Amortised cost 攤銷成本	247,366	—	247,366
			774,505	(10,770)	763,735
Total financial asset balances 金融資產結餘總額			965,514	(84,881)	880,633

There have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9.

應用國際財務報告準則第9號並無對金融負債之分類或計量造成影響。

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018 (Continued)

IFRS 9 "Financial Instruments" (Continued)

The total impact on the Group's retained earnings as at 1 January 2018 is as follows:

3. 採納新訂及經修訂國際財務報告準則(續)

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號「金融工具」(續)

對本集團於二零一八年一月一日之保留盈利之整體影響如下：

		RMB'000 人民幣千元
Retained earnings as at 31 December 2017	於二零一七年十二月三十一日之保留盈利	350,266
Remeasurement of financial assets at FVTPL under IFRS 9	根據國際財務報告準則第9號重新計量按公允值計入損益之金融資產	(70,652)
Recognition of ECL under IFRS 9	根據國際財務報告準則第9號確認預期信貸虧損	(14,229)
Retained earnings as at 1 January 2018	於二零一八年一月一日之保留盈利	265,385

ECL

The following table reconciles the provision of impairment determined in accordance with IAS 39 as at 31 December 2017 with the opening ECL determined in accordance with IFRS 9 as at 1 January 2018.

預期信貸虧損

下表為於二零一七年十二月三十一日根據國際會計準則第39號釐定之減值撥備與於二零一八年一月一日根據國際財務報告準則第9號釐定之全初預期信貸虧損之對賬。

		RMB'000 人民幣千元
Provision of impairment at 31 December 2017 under IAS 39	於二零一七年十二月三十一日根據國際會計準則第39號之減值撥備	11,133
Additional ECL recognised at 1 January 2018 on:	於二零一八年一月一日就以下各項確認之額外預期信貸虧損：	
— Trade and other receivables	— 貿易及其他應收款項	7,345
— Loans to associates	— 給予聯營公司之貸款	2,459
— Loans to third parties	— 給予第三方之貸款	4,425
ECL at 1 January 2018 under IFRS 9	於二零一八年一月一日根據國際財務報告準則第9號之預期信貸虧損	25,362

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018 (Continued)

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" and the related "Clarifications to IFRS 15 Revenue from Contracts with Customers" (hereinafter referred to as "IFRS 15") replace IAS 18 "Revenue", IAS 11 "Construction Contracts", and several revenue-related Interpretations.

(i) Timing of revenue recognition

Under IFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. IFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

(a) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(b) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or

(c) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under IFRS 15 the Group recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

3. 採納新訂及經修訂國際財務報告準則(續)

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第15號「客戶合約收益」

國際財務報告準則第15號「客戶合約收益」及相關「國際財務報告準則第15號客戶合約收益(「國際財務報告準則第15號」之澄清)取代國際會計準則第18號「收益」、國際會計準則第11號「工程合約」及多項收益相關詮釋。

(i) 收入確認時間

根據國際財務報告準則第15號，收入於客戶取得合約中承諾商品或服務之控制權時於一個時間點或於一段時間確認。國際財務報告準則第15號確定以下三種承諾商品或服務之控制權被視為於一段時間轉移之情況：

(a) 當客戶在實體履約之同時取得及消費該實體履約所提供之利益；

(b) 當實體之履約創造或改良客戶在資產被創造或改良時就控制之資產(如在建工程)時；或

(c) 當實體之履約並無創造一項可被實體用於替代用途之資產，並且實體具有就迄今為止已完成之履約部分收取付款之可執行權利。

倘合約條款及實體行為並不屬於任何該等三種情況，則根據國際財務報告準則第15號，本集團於某一時間點(即控制權轉移時)就銷售貨品或服務確認收入。所有權之風險及回報之轉移僅為於釐定控制權轉移發生時將考慮之其中一項指標。

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

New and amended IFRSs that are effective for annual periods beginning on 1 January 2018 (Continued)

IFRS 15 "Revenue from Contracts with Customers" (Continued)

(i) Timing of revenue recognition (Continued)

The adoption of IFRS 15 does not have a significant impact on when the Group recognises revenue.

(ii) Presentation of contract assets and liabilities

Previously, contract balances relating to service fees prepaid by game players were presented in the consolidated statement of financial position under "deferred revenue".

Under IFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue (see note 2.19) before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue.

The "deferred revenue" in relation to services fees prepaid by game players for the Group's online games in the forms of prepaid game cards, virtual currencies and virtual goods, for which the related services had not been rendered at the reporting dates would be under the scope of "contract liabilities" of IFRS 15.

3. 採納新訂及經修訂國際財務報告準則(續)

於二零一八年一月一日開始之年度期間生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第15號「客戶合約收益」(續)

(i) 收入確認時間(續)

採納國際財務報告準則第15號並無對本集團確認收入造成重大影響。

(ii) 呈列合約資產及負債

先前，有關遊戲玩家預付服務費之合約結餘於綜合財務狀況表「遞延收入」之下呈列。

根據國際財務報告準則第15號，應收款項僅於本集團擁有無條件權利收取代價時確認。倘本集團於有權無條件收取合約中承諾貨品及服務之代價前確認相關收入(見附註2.19)，則收取代價之權利分類為合約資產。同樣，合約負債(而非應付款項)於本集團確認相關收入前，在客戶支付代價或根據合約須支付代價且該代價已到期時確認，

「遞延收入」與本集團網絡遊戲的遊戲玩家以預付遊戲卡、虛擬貨幣及虛擬物品的形式預付的服務費有關，而本集團於報告日期尚未提供相關服務，並將於國際財務報告準則第15號「合約負債」內界定。

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

Issued but not yet effective IFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group.

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[3]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to IFRS 3	Definition of a Business[5]
Amendments to IAS 1 and IAS 8	Definition of Material[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2015–2017 Cycle[1]
IFRIC-Int 23	Uncertainty over Income Tax Treatments[1]

1 Effective for annual periods beginning on or after 1 January 2019

2 Effective for annual periods beginning on or after 1 January 2020

3 Effective for annual periods beginning on or after 1 January 2021

4 Effective date not yet determined

5 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

3. 採納新訂及經修訂國際財務報告準則(續)

已頒佈但尚未生效之國際財務報告準則

於刊發該等綜合財務報表日期，若干新訂及經修訂國際財務報告準則已獲刊發但尚未生效，且並未獲本集團提早採納。

國際財務報告準則第16號	租賃[1]
國際財務報告準則第17號	保險合約[3]
國際財務報告準則第9號(修訂本)	提早還款特性及負補償[1]
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者及其聯營公司或合營企業出售或注入資產[4]
國際會計準則第19號(修訂本)	計劃修訂、縮減或結清[1]
國際會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益[1]
國際財務報告準則第3號(修訂本)	業務之定義[5]
國際會計準則第1號及國際會計準則第8號(修訂本)	重大之定義[2]
國際財務報告準則(修訂本)	國際財務報告準則二零一五年至二零一七年週期之年度改進[1]
國際財務報告詮釋委員會－詮釋第23號	所得稅處理之不確定性[1]

1 於二零一九年一月一日或之後開始之年度期間生效

2 於二零二零年一月一日或之後開始之年度期間生效

3 於二零二一年一月一日或之後開始之年度期間生效

4 尚待釐定生效日期

5 於收購日期為二零二零年一月一日或之後開始之首個年度期間開始當日或之後進行之業務合併及資產收購生效

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

Issued but not yet effective IFRSs (Continued)

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended IFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended IFRSs are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 16 "Leases"

IFRS 16 "Leases" replaced IAS 17 and three related Interpretations.

As disclosed in note 2.15, currently the Group classifies leases into operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessee.

IFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease, the lessee will recognise a "lease liability" and a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee would recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

IFRS 16 will primarily affect the Group's accounting as a lessee of leases of servers, lines, offices and various properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the consolidated statement of profit or loss and other comprehensive income over the period of the lease.

3. 採納新訂及經修訂國際財務報告準則(續)

已頒佈但尚未生效之國際財務報告準則(續)

董事預期，本集團將於所有有關規定首次生效開始或之後期間將該等規定納入本集團之會計政策中。預期對本集團會計政策產生影響的新訂及經修訂國際財務報告準則的資料載列如下。其他新訂及經修訂國際財務報告準則預期不會對本集團綜合財務報表造成重大影響。

國際財務報告準則第16號「租賃」

國際財務報告準則第16號「租賃」取代國際會計準則第17號及三項相關詮釋。

誠如附註2.15所披露，本集團現時將租賃分類為經營租賃，並根據租賃之分類對租賃安排進行不同之會計處理。本集團的部分租賃以承租人身份訂立。

預期國際財務報告準則第16號將不會大幅影響出租人將其於租賃項下權利及義務入賬之方式。然而，採用國際財務報告準則第16號後，承租人將不再區分融資租賃及經營租賃。相反，受可行權益方法之規限，承租人將按與現有融資租賃會計處理方法類似之方法將所有租賃入賬，即於租賃開始日期，承租人將確認「租賃負債」及相應之「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債未償還結餘所產生之利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租賃所產生之租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產之租賃，於此情況下，租金開支將繼續於租期內按系統基準確認。

國際財務報告準則第16號將主要影響本集團作為承租人就租賃伺服器、線路、辦公室及多項物業(現時分類為經營租賃)之會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租賃期間於綜合損益及其他全面收益表內確認開支之時間。

3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

Issued but not yet effective IFRSs (Continued)

IFRS 16 "Leases" (Continued)

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by IFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in IFRS 16 only to contracts that are entered into on or after the date of initial application. Accordingly, the Group's procurement contract disclosed in note 32(b), which will expire after 2 years, will continue to be accounted for as a lease arrangement.

The Group plans to elect to use the modified retrospective approach for the adoption of IFRS 16 on 1 January 2019 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information will not be restated. As disclosed in note 32(b), as at 31 December 2018, the Group's future minimum lease payments under non-cancellable operating leases amount to RMB104,066,000 for land and buildings, the majority of which is payable either between 2 to 5 years after the reporting date or in more than 5 years.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of IFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statement from 2019 onwards.

3. 採納新訂及經修訂國際財務報告準則(續)

已頒佈但尚未生效之國際財務報告準則(續)

國際財務報告準則第16號「租賃」(續)

國際財務報告準則第16號於二零一九年一月一日或之後開始之年度期間生效。在國際財務報告準則第16號允許的情況下，本集團計劃使用可行權宜方法，處理現有安排為租賃或包含租賃的先前評估。因此，本集團將國際財務報告準則第16號對租賃的新定義僅應用於首次應用日期或之後訂立的合約。因此，附註32(b)所披露的本集團兩年之後屆滿的採購合約將繼續作為租賃安排入賬。

本集團計劃就於二零一九年一月一日採納國際財務報告準則第16號選用經修訂追溯方法，並將確認首次應用的累積影響，作為對二零一九年一月一日年初權益結餘的調整，但不會重列比較資料。如附註32(b)所披露，於二零一八年十二月三十一日，本集團不可撤銷經營租賃下就土地及樓宇的日後最低租賃付款為人民幣104,066,000元，當中多數為自報告日期起計二至五年應付或五年後應付的款項。

除確認租賃負債及使用權資產外，本集團預期將於應用國際財務報告準則第16號後作出的過渡調整將不屬重大。然而，如上文所述的會計政策預期變動可能對本集團自二零一九年起的財務報表造成重大影響。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes accounting estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimates of Player Relationship Period for revenue recognition

As described in note 2.19, the Group recognises revenue from certain durable virtual goods derived from its self-developed and licensed PC games over the Player Relationship Period. The determination of Player Relationship Period in each type of virtual goods is based on the Group's best estimate that takes into account all known and relevant information at the time of assessment. Such estimates are subject to re-evaluation on an annual basis. Any adjustments arising from changes in the Player Relationship Period as a result of new information will be accounted for prospectively as a change in accounting estimate.

4. 關鍵會計估計及判斷

估計及判斷會根據過往經驗及其他因素(包括在有關情況下對未來事件的合理預期)持續評估。

4.1 關鍵會計估計及假設

本集團對未來作出會計估計及假設。顧名思義,作出的會計估計很少會與其實際結果相同。極有可能導致下一個財政年度的資產及負債的賬面值發生重大調整的估計及假設討論如下。

(a) 收入確認的玩家關係持續期間的估計

誠如附註2.19所述,本集團於玩家關係持續期間確認源自於其自主開發及特許PC遊戲的若干耐用虛擬物品的收入。各款遊戲的玩家關係持續期間根據本集團於評估時考慮到所有已知及相關資料後作出的最佳估計而釐定。相關估計結果每年重新評估。玩家關係持續期間會由於新資料而變動,就此作出的任何調整將作為會計估計的變動入賬。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Provision for expected credit loss ("ECL") of financial assets

The Group determines the provision for expected credit losses ("ECL") of financial assets (note 40). These estimates are based on the ECL to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue receivables, debtors' repayment history and debtors' financial position and an assessment of both the current and forecast general economic conditions. All of which involve a significant degree of management judgments.

(c) Current and deferred income taxes

As detailed in note 8, the Group is subject to income taxes in several jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Depreciation, amortisation and impairment assessment of property, plant and equipment and intangible assets

Property, plant and equipment (note 12) and intangible assets (note 13) with finite useful lives are depreciated or amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 金融資產預期信貸虧損(「預期信貸虧損」)撥備

本集團釐定金融資產的預期信貸虧損(「預期信貸虧損」)的撥備(附註40)。該等估計乃基於將予產生的預期信貸虧損，而其須透過考慮信貸虧損經驗、逾期應收款項賬齡、債務人還款記錄及債務人財務狀況以及對當前及預測整體經濟狀況的評估進行估計，且均涉及重大管理層判斷。

(c) 即期及遞延所得稅

如附註8所述，本集團須於多個司法權區繳納所得稅。許多日常業務過程中的交易及事項所涉及的最終稅務釐定均為不確定。本集團須於釐定各個司法權區所得稅撥備時作出重要判斷。倘該等事項的最終稅務結果與最初記錄的金額不同，此等差異將影響於作出有關決定之期間的所得稅及遞延稅項撥備。

(d) 物業、廠房及設備以及無形資產的折舊、攤銷及減值評估

具有有限可使用年期之物業、廠房及設備(附註12)及無形資產(附註13)按資產預計可使用年期，經計及其估計剩餘價值後(如有)以直線法計算其折舊或攤銷。本集團定期審閱資產之預計可使用年期以確定任何報告期內之折舊及攤銷費用的入賬金額。可使用年期是按本集團類似資產之過往經驗，並考慮預期之技術改變而估計得出。將來期間之折舊及攤銷費用會因以前估計之重大改變而作出調整。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(d) **Depreciation, amortisation and impairment assessment of property, plant and equipment and intangible assets (Continued)**

Property, plant and equipment and intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of the assets have been determined based on the higher of fair value less cost of disposal and value-in-use calculations. These calculations require the use of judgement and estimates.

(e) **Impairment of goodwill**

Determining whether goodwill (note 14) is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

(f) **Fair value of contingent consideration payable for profit guarantee and further acquisition option**

As part of the consideration in the acquisition of a subsidiary (note 34 (a)), contingent consideration is valued at the fair value at the acquisition/disposal date with the best estimate of the future outcome of the earn-outs arrangement. The contingent consideration is subsequently remeasured to fair value at the end of each reporting period. The determination of the fair value is based on the expected adjustment on the consideration to be paid and involves management's judgement and assumptions.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(d) **物業、廠房及設備以及無形資產的折舊、攤銷及減值評估(續)**

具有有限使用年期的物業、廠房及設備及無形資產，在因某些事件或情況改變而顯示該等資產之賬面值或不能收回時進行減值檢討。資產之可回收金額根據公允值減出售成本與使用價值計算值兩者間之較高者釐定。該等計算須採用判斷及預測。

(e) **商譽減值**

釐定商譽(附註14)是否減值須估計獲分配商譽之現金產生單位使用價值。計算使用價值時，實體須估計預期可自現金產生單位產生之未來現金流量及適當貼現率，從而計算現值。

(f) **就溢利擔保及進一步收購期權應付或然代價之公允值**

作為收購一間附屬公司代價之一部分(附註34(a))，或然代價於收購／出售日期按公允值計算，取獲利計酬安排日後結果之最佳估值。或然代價隨後於各報告期末按其公允值重新計量。公允值之釐定乃基於應付代價之預計調整並涉及管理層之判斷及假設。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(g) Impairment of interests in associates

The Group makes provision for impairment in its interest in associates (note 16) based on an assessment of the recoverable amounts of the associates. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The assessment requires the use of judgements and estimates and any changes to these judgements and estimates could result in a material change to the recoverable amounts of the associates.

4.2 Critical judgments in applying the entity's accounting policies

(a) Significant influence over investees with less than 20% equity interest

The Group classified certain investments as interest in associates although the Group owns less than 20% equity interest in these companies (note 16(a)). The Group has significant influence over these companies by virtue of its contractual right to appoint director on its board.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(g) 於聯營公司的權益減值

本集團根據評估聯營公司的可回收金額就其於聯營公司的權益作出減值撥備(附註16)。倘資產或現金產生單位之賬面值超逾其可收回金額(為其公允值減出售成本與其使用價值之較高者),即存在減值。評估要求利用判斷及估計,且該等判斷及估計可能對聯營公司的可收回金額造成重大變動。

4.2 應用實體會計政策之重大判斷

(a) 對少於20%股權被投資方的重大影響

儘管本集團擁有少於20%的彼等公司的擁有權,本集團將若干投資分類為於聯營公司(附註16(a))之權益。本集團憑藉任命彼等之董事會董事的合約權利對該等公司具有重大影響。

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group's principal activities are disclosed in note 1 to these consolidated financial statements. The Group's revenue from external customers recognised during the year is as follows:

5. 收入及分部資料

(a) 收入

本集團主要業務披露於綜合財務報表附註1。本集團自外部客戶獲得之收益於年內確認如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Restated) (重列)
Online games business — Lianzhong Group — Mobile Business	線上遊戲業務－聯眾集團－移動業務	**205,167**	267,859
Online games business — Peerless Group	線上遊戲業務－Peerless集團	**102,126**	89,812
eSports business	電競業務	**36,070**	20,087
		343,363	377,758

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment result, assets and liabilities

The chief operating decision-makers (the "CODM") has been identified as the executive directors of the Group. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports. The CODM assess the performance of the operating segments mainly based on segment revenue and profit of each operating segment. Segment information below is presented in a manner consistent with the way in which information is reported internally for the purposes of resource allocation and performance assessment.

The following describes the operations in each of the Group's reportable segments:

(i) Online games business — Lianzhong Group: online card and board games business carried out by Lianzhong Group

(ii) Online games business — Peerless Group: online card and board games business carried out by Peerless Group

(iii) ESports business: sports e-commerce business and other non-card-and-board games new internet businesses

Segment profit represents profit earned by each segment without allocating finance costs and income tax expense.

Segment assets include all assets in the consolidated financial statements.

Segment liabilities include all liabilities in the consolidated financial statements.

5. 收入及分部資料(續)

(b) 分部業績、資產及負債

主要經營決策人(「主要經營決策人」)由本集團執行董事確立。主要經營決策人審閱本集團內部報告，以評估業績及分配資源。主要經營決策人根據該等報告計量經營分部。主要經營決策人主要根據各經營分部之分部收益及利潤評估經營分部之表現。下述分部資料以資料內部呈報資源分配及表現評估之相同方式呈列。

本集團各可呈報分部之運營載列如下：

(i) 線上遊戲業務－聯眾集團：聯眾集團開展的在線棋牌遊戲業務

(ii) 線上遊戲業務－Peerless集團：Peerless集團開展的在線棋牌遊戲業務

(iii) 電競業務：體育電商業務以及其他非棋牌遊戲等新網絡業務

分部利潤指各分部(尚未分配融資成本及所得稅開支)賺取之利潤。

分部資產包括綜合財務報表之所有資產。

分部負債包括綜合財務報表之所有負債。

5. REVENUE AND SEGMENT INFORMATION (Continued)

5. 收入及分部資料(續)

(b) Segment result, assets and liabilities (Continued)

(b) 分部業績、資產及負債(續)

		2018 二零一八年				
		Online games business — Lianzhong Group — Mobile Business 線上遊戲業務—聯眾集團—移動業務 RMB'000 人民幣千元	Online games business — Peerless Group 線上遊戲業務—Peerless集團 RMB'000 人民幣千元	eSports business 電競業務 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Continuing operations:	*持續經營業務:*					
Revenue	收入					
— From external customers	—來自外部客戶	205,166	102,127	36,070	—	343,363
— From other segments	—來自其他分部	2,227	—	—	(2,227)	—
Reportable segment revenue	可呈報分部收入	207,393	102,127	36,070	(2,227)	343,363
Impairment of assets (Note 40)	資產減值(附註40)	(230,759)	(35)	(175)	—	(230,969)
Reportable segment results	可呈報分部業績	(235,878)	(70,418)	(204,064)	—	(510,360)
Share-based compensation expense	以股份為基礎的酬金開支	(2,796)	(26,241)	—	—	(29,037)
Loss before income tax	除所得稅前虧損	(238,674)	(96,659)	(204,064)	—	(539,397)
Income tax credit	所得稅抵免					15,456
Loss for the year	年內虧損					(523,941)

		2018 二零一八年				
		Online games business — Lianzhong Group 線上遊戲業務—聯眾集團 RMB'000 人民幣千元	Online games business — Peerless Group 線上遊戲業務—Peerless集團 RMB'000 人民幣千元	eSports business 電競業務 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
ASSETS	資產					
Segment assets	分部資產	911,047	393,119	339,311	(377,047)	1,266,430
LIABILITIES	負債					
Segment liabilities	分部負債	249,089	202,482	522,305	(687,420)	286,456

5. REVENUE AND SEGMENT INFORMATION (Continued)

5. 收入及分部資料(續)

(b) Segment result, assets and liabilities (Continued)

(b) 分部業績、資產及負債(續)

		2017 二零一七年				
		Online games business – Lianzhong Group – Mobile Business 線上遊戲業務 –聯眾集團 –移動業務 RMB'000 人民幣千元 (Restated) (重列)	Online games business – Peerless Group 線上遊戲業務 –Peerless集團 RMB'000 人民幣千元 (Restated) (重列)	eSports business 電競業務 RMB'000 人民幣千元 (Restated) (重列)	Eliminations 抵銷 RMB'000 人民幣千元 (Restated) (重列)	Total 總計 RMB'000 人民幣千元 (Restated) (重列)
Continuing operations:	*持續經營業務:*					
Revenue	**收入**					
– From external customers	–來自外部客戶	267,849	89,812	20,097	–	377,758
– From other segments	–來自其他分部	18,868	6,758	25	(25,651)	–
Reportable segment revenue	**可呈報分部收入**	286,717	96,570	20,122	(25,651)	377,758
Reportable segment results	**可呈報分部業績**	(62,825)	2,769	(69,150)	–	(129,206)
Share-based compensation expense	以股份為基礎的酬金開支	(18,446)	(3,267)	(3,216)	–	(24,929)
Loss before income tax	除所得稅前虧損					(154,135)
Income tax expense	所得稅開支					(4,697)
Loss for the year	年內虧損					(158,832)

		2017 二零一七年				
		Online games business – Lianzhong Group 線上遊戲業務 –聯眾集團 RMB'000 人民幣千元 (Restated) (重列)	Online games business – Peerless Group 線上遊戲業務 –Peerless集團 RMB'000 人民幣千元 (Restated) (重列)	eSports business 電競業務 RMB'000 人民幣千元 (Restated) (重列)	Eliminations 抵銷 RMB'000 人民幣千元 (Restated) (重列)	Total 總計 RMB'000 人民幣千元 (Restated) (重列)
ASSETS	**資產**					
Segment assets	分部資產	1,321,477	332,085	243,231	(278,581)	1,618,212
LIABILITIES	**負債**					
Segment liabilities	分部負債	71,606	76,653	209,602	(195,179)	162,682

5. REVENUE AND SEGMENT INFORMATION (Continued)

5. 收入及分部資料(續)

(c) Geographical information

The following illustrates the geographical analysis of the Group's revenue from external customers, based on the country from which the transactions are executed, and information about its non-current assets (other than financial instruments and deferred tax assets), based on the location of assets.

(c) 地區資料

本集團按進行交易所在國家劃分的來自外部客戶之收益及按資產所在地劃分的非流動資產資料(不包括金融工具及遞延稅項資產)之地區分析如下。

		Revenue 收入		Non-current assets 非流動資產	
		2018	2017	As at 31 December 2018 於二零一八年十二月三十一日	As at 31 December 2017 於二零一七年十二月三十一日
		二零一八年	二零一七年		
		RMB'000 人民幣千元	RMB'000 人民幣千元 (Restated) (重列)	RMB'000 人民幣千元	RMB'000 人民幣千元
PRC	中國	**212,456**	294,002	**220,738**	296,194
USA	美國	**128,328**	83,056	**471,593**	349,548
Others	其他	**2,579**	700	**3,140**	3,995
		343,363	377,758	**695,471**	649,737

(d) Information about major customers

The Group has a large number of game players, no revenue from any individual game player or customer exceeded 10% or more of the Group's revenue during the years ended 31 December 2018 and 2017.

(d) 主要客戶資料

本集團擁有大量遊戲玩家,截至二零一八年及二零一七年十二月三十一日止年度,概無來自任何個人遊戲玩家或客戶的收入超過本集團收入的10%或以上。

6. OTHER INCOME

6. 其他收入

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Restated) (重列)
Other revenue	**其他收益**		
Bank interest income	銀行利息收入	**2,417**	2,746
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	**—**	267
Gain on disposal of intangible assets	出售無形資產之收益	**—**	2,320
Gain on disposal of financial assets at fair value through profit or loss	出售按公允值計入損益之金融資產之收益	**185**	2,000
Gain on partial disposal of an associate (Note 16(b))	部分出售一家聯營公司之收益(附註16(b))	**—**	27,632
Interest income from loans to third parties	給予第三方貸款之利息收入	**7,753**	5,305
Interest income from loans to associates	給予聯營公司貸款之利息收入	**170**	326
		10,525	40,596
Other net income	**其他收入淨額**		
Subsidy income from government (note)	政府補貼收入(附註)	**3,125**	750
Sundry income	雜項收入	**5,963**	2,107
		9,088	2,857
		19,613	43,453

Note: Subsidy income mainly relates to cash subsidies in respect of operating and development activities from governments which are either unconditional grants or grants with conditions having been satisfied.

附註：補貼收入主要與來自政府就經營及開發活動之現金補貼相關，相關補貼為無條件補貼或已達成有關條件之補貼。

7. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging/(crediting):

7. 持續經營業務年度虧損

持續經營業務年度虧損乃經扣除／(計入)以下各項：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Restated) (重列)
Finance costs	**財務成本**		
Interest charges on 2017 Convertible Notes (note 26)	二零一七年可換股票據所付利息(附註26)	**—**	2,775
Interest charges on 2018 Convertible Notes (note 26)	二零一八年可換股票據所付利息(附註26)	**1,828**	—
Interest expenses	利息開支	**443**	—
		2,271	2,775
Employee benefit expenses (including directors' emoluments)	**僱員福利開支(包括董事薪酬)**		
Salaries, bonus and allowances	薪金、花紅及津貼	**91,291**	88,120
Retirement benefit scheme contributions	退休福利計劃供款	**7,919**	9,253
Severance payments	遣散費	**20,344**	7,685
Share-based compensation expense	以股份為基礎的酬金開支	**29,037**	24,929
		148,591	129,987
Other items	**其他項目**		
Auditors' remuneration	核數師酬金	**2,200**	1,745
Depreciation of property, plant and equipment (note 12)	物業、廠房及設備折舊(附註12)	**39,201**	31,680
Amortisation of intangible assets (note 13)	無形資產攤銷(附註13)	**99,598**	116,578
Net foreign exchange loss	外匯虧損淨額	**123**	2,213
Operating lease charges on office premises	辦公物業經營租賃費用	**22,118**	18,192
Loss on disposal of associates	出售聯營公司之虧損	**3,300**	—
Loss on disposal of subsidiaries (note 35(a)&(b))	出售附屬公司之虧損(附註35(a)及(b))	**28,695**	1,530
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損／(收益)	**1,265**	(107)

8. INCOME TAX (CREDIT)/EXPENSE

8. 所得稅(抵免)／開支

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Restated) (重列)
Current tax	**即期稅項**			
The PRC	中國			
— Current year	—本年度		**887**	6,109
— (Over)/Under-provision in respect of prior year	—過往年度(超額撥備)／撥備不足		**(1,842)**	287
			(955)	6,396
Deferred tax	**遞延稅項**			
Origination and reversal of temporary differences	暫時性差額的產生及撥回	27	**(14,501)**	(1,699)
Income tax (credit)/expense	**所得稅(抵免)／開支**		**(15,456)**	4,697

8. INCOME TAX (CREDIT)/EXPENSE (Continued)

The difference between the actual income tax charge in the consolidated statement of comprehensive income and the amounts which would result from applying the enacted tax rate to loss before income tax can be reconciled as follows:

8. 所得稅(抵免)/開支(續)

綜合全面收益表的實際所得稅費用及採用適用於除所得稅前虧損的法定稅率計算得出的稅額的差額對賬如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Restated) (重列)
Loss before income tax	**除所得稅前虧損**	**(539,397)**	(154,135)
Tax on loss before income tax, calculated at the statutory rates applicable to profits in the tax jurisdiction concerned	除所得稅前虧損稅項(按相關稅務司法權區適用的利潤法定稅率計算)	**(236,213)**	(18,065)
Tax effect on non-deductible expenses	不可扣稅開支的稅務影響	**61,289**	2,663
Tax effect on non-taxable income	非課稅收入的稅務影響	**(9,714)**	(1,232)
Tax effect on preferential income tax rates applicable to subsidiaries	適用於附屬公司的優惠所得稅稅率的稅務影響	**4,399**	(1,492)
Tax effect of utilisation of tax losses not recognised	尚未確認動用稅項虧損之稅務影響	**(3,598)**	(187)
Tax effect of tax losses not recognised	尚未確認稅項虧損之稅務影響	**170,235**	22,527
(Over)/Under-provision in respect of prior year	過往年度(超額撥備)/撥備不足	**(1,842)**	287
Others	其他	**(12)**	196
Income tax (credit)/expense	**所得稅(抵免)/開支**	**(15,456)**	4,697

Notes:

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong profits tax

Hong Kong profits tax rate is 16.5%. Hong Kong profits tax has not been provided as the Group had no estimated assessable profits arising in Hong Kong for the years ended 31 December 2018 and 2017.

附註:

(a) 開曼群島所得稅

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司,因此豁免繳納開曼群島所得稅。

(b) 香港利得稅

香港利得稅稅率為16.5%。由於本集團於截至二零一八年及二零一七年十二月三十一日止年度在香港並無產生估計應課稅利潤,因此並無就香港利得稅計提撥備。

8. INCOME TAX (CREDIT)/EXPENSE (Continued)

Notes: (Continued)

(c) PRC enterprise income tax

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year based on the existing legislation, interpretations and practices in respect thereof. The applicable income tax rate is 25%.

Pursuant to the relevant laws and regulations in the PRC, Beijing Lianzhong Co., Ltd ("Beijing Lianzhong") has renewed and obtained its qualification as a High and New Technology Enterprise ("HNTE") in 2017 for the three-year period commencing from October 2017 and accordingly Beijing Lianzhong enjoyed a preferential income tax rate of 15% in 2017. Also, Beijing Lianzhong was accredited as a "Key Software Enterprise within National Planning Layout"and entitled to a preferential income tax rate of 10% from 2015 and would continue to enjoy this preferential income tax rate until it no longer meets the requirements of the qualification. For the year ended 31 December 2017, Beijing Lianzhong was entitled for the preferential income tax rate of 10%. For the year ended 31 December 2018, Beijing Lianzhong no longer met the requirements of the qualification and it is subject to standard income tax rate of 25%.

Pursuant to the relevant laws and regulations in the PRC, Nanjing Haoyun Meicheng Electronics Co., Ltd. ("Nanjing Haoyun") was accredited as a "Software Enterprise" (軟件企業) during the year ended 31 December 2018 and was exempted from enterprise income tax for the year.

According to relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 150% of the research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). Beijing Lianzhong has made its best estimate for the Super Deduction to be claimed in ascertaining their assessable profits for the year ended 31 December 2017, but did not make such claims for deduction for the year ended 31 December 2018.

(d) US profits tax

Subsidiaries operating in the US are subject to US federal and state tax on its assessable profits. The applicable tax rate for federal tax is 34% whilst the tax rate for state tax of California, the principal place of business of the Company's major US subsidiaries is 8.84%. US profits tax has not been provided as the Group incurred a loss for taxation purposes for the years ended 31 December 2018 and 2017.

(e) Gibraltar profits tax

Gibraltar profits tax has not been provided as the Group has no assessable profit in Gibraltar for the years ended 31 December 2018 and 2017.

8. 所得稅(抵免)／開支(續)

附註:(續)

(c) 中國企業所得稅

本集團就其在中國的業務所作出的所得稅撥備乃根據現行相關法律、詮釋及慣例就於本年度估計應課稅利潤按適用稅率計算。適用所得稅稅率為25%。

根據中國相關法律法規,北京聯眾互動網絡股份有限公司(「北京聯眾」)已於二零一七年續新及取得其作為高新技術企業(「高新技術企業」)資格,自二零一七年十月起為期三年。此外,北京聯眾獲認證為「國家規劃佈局內重點軟件企業」,自二零一五年起享受10%的優惠所得稅稅率,並將繼續享受此優惠所得稅稅率直至不再符合資格為止。截至二零一七年十二月三十一日止年度,北京聯眾享受10%的優惠所得稅稅率。截至二零一八年十二月三十一日止年度,北京聯眾不再符合資格並須受標準所得稅稅率25%。

根據中國相關法律法規,南京好運美成電子科技有限公司(「南京好運」)於二零一八年十二月三十一日止年度獲認證為「軟件企業」,並獲免該年之企業所得稅。

根據中國相關法律法規,從事研發活動的企業於釐定其該年度應課稅利潤時,有權將所產生的研發費用的150%作可扣稅開支申報(「加計扣除」)。截至二零一七年十二月三十一日止年度,北京聯眾已於確定其應課稅利潤中將予作出的加計扣除申報作出最佳估計,但沒有於二零一八年十二月三十一日止年度就該扣除作出申報。

(d) 美國利得稅

於美國經營之附屬公司須就其應課稅利潤繳納美國聯邦及州稅。適用聯邦稅率為34%,而本公司主要美國附屬公司之主要營業地點加州之稅率為8.84%。由於本集團截至二零一八年及二零一七年十二月三十一日止年度產生稅項虧損,故並無就美國利得稅計提撥備。

(e) 直布羅陀利得稅

由於本集團截至二零一八年及二零一七年十二月三十一日止年度在直布羅陀並無應課稅利潤,故並無就直布羅陀利得稅計提撥備。

8. INCOME TAX (CREDIT)/EXPENSE (Continued)

Notes: (Continued)

(f) PRC withholding tax

According to the relevant laws and regulations in the PRC, the Group is also liable to a 10% withholding tax on dividends to be distributed from the Group's foreign-invested enterprises in the PRC in respect of its profits generated from 1 January 2008. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

8. 所得稅(抵免)/開支(續)

附註:(續)

(f) 中國預扣稅

根據中國相關法律法規,本集團須就向中國外商投資企業有關於二零零八年一月一日起產生的利潤將予分派的股息繳納10%的預扣稅。倘於香港註冊成立的外國投資者符合中國與香港訂立的雙邊稅務條約安排的條件及規定,相關預扣稅稅率將從10%降至5%。

9. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the years ended 31 December 2018 and 2017.

9. 股息

董事不建議宣派截至二零一八年及二零一七年十二月三十一日止年度之末期股息。

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to equity holders of the Company and on the weighted average number of ordinary shares in issue during the year.

10. 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃按本公司權益持有人應佔(虧損)/利潤及年內已發行的普通股加權平均數計算得出。

		2018 二零一八年	2017 二零一七年 (Restated) (重列)
(Loss)/Profit attributable to equity holders of the Company for the year (RMB'000)	本公司權益持有人應佔年內(虧損)/利潤(人民幣千元)		
— Continuing operations	—持續經營業務	**(449,398)**	(139,872)
— Discontinued operations	—已終止經營業務	**(173,572)**	115,876
		(622,970)	(23,996)
Weighted average number of ordinary shares in issue during the year	年內已發行普通股加權平均數	**1,084,086,991**	788,254,778
Basic (loss)/earnings per share (in RMB cents per share)	每股基本(虧損)/盈利(以每股人民幣分計)		
— Continuing operations	—持續經營業務	**(41.45)**	(17.74)
— Discontinued operations	—已終止經營業務	**(16.01)**	14.70
		(57.46)	(3.04)

10. (LOSS)/EARNINGS PER SHARE (Continued)

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the (loss)/profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year after adjusting for the effects of all dilutive potential ordinary shares.

For the year ended 31 December 2017, the Company has two categories of dilutive ordinary shares, being the share option schemes of the Company (Management Pre-IPO Share Option Scheme and the 2014 Share Option Scheme) and the 2017 Convertible Notes. The impacts on the 2017 Convertible Notes before conversion and the share options had anti-dilutive effect on the basis (loss)/earnings per share amounts presented.

For the year ended 31 December 2018, the Company has two categories of dilutive ordinary shares, being the Company's share option schemes as states above and contingent consideration shares. The impacts of share options and contingent consideration shares had anti-dilutive effect on the basic loss per share amounts presented.

10. 每股(虧損)／盈利(續)

(b) 每股攤薄(虧損)／盈利

每股攤薄(虧損)／盈利乃經調整所有潛在攤薄普通股的影響後，根據本公司權益持有人應佔(虧損)／利潤及年內已發行普通股的加權平均數計算。

截至二零一七年十二月三十一日止年度，本公司擁有兩類具潛在攤薄影響的普通股，即本公司購股權計劃(管理層首次公開發售前購股權計劃及二零一四年購股權計劃)以及二零一七年可換股票據。轉換前的二零一七年可換股票據及購股權的影響對呈列的每股基本(虧損)／盈利金額具反攤薄影響。

截至二零一八年十二月三十一日止年度，本公司有兩類具潛在攤薄影響的普通股，即上述的本公司購股權及或然代價股份。購股權及或然代價股份的影響對呈列的每股基本虧損金額具反攤薄影響。

11. DIRECTORS' AND EMPLOYEES' REMUNERATIONS

11. 董事薪酬及僱員薪酬

(a) Directors' remunerations

The remuneration of each director disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations for the years ended 31 December 2018 and 2017 are set out below:

(a) 董事薪酬

根據上市規則、香港公司條例第383(1)條以及公司(披露董事利益資料)規例第2部，截至二零一八年及二零一七年十二月三十一日止年度，各董事薪酬披露載列如下：

Name of director	董事姓名	Notes 附註	Fees 袍金 RMB'000 人民幣千元	Basic salaries and allowances 基本薪金及津貼 RMB'000 人民幣千元	Retirement benefit contribution 退休福利供款 RMB'000 人民幣千元	Share-based compensation 以股份為基礎的酬金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2018	**截至二零一八年十二月三十一日止年度**						
Executive directors:	**執行董事：**						
Mr. Yang Eric Qing	楊慶先生	(i)	–	1,440	85	2,035	3,560
Mr. Ng Kwok Leung Frank	伍國樑先生	(i)	–	1,440	85	2,035	3,560
Non-executive directors:	**非執行董事：**						
Mr. Liu Jiang	劉江先生		–	–	–	–	–
Mr. Fan Tai	樊泰先生		–	–	–	–	–
Mr. Chen Xian	陳弦先生		–	–	–	–	–
Ms. Fu Qiang	傅強女士	(iii)	–	–	–	–	–
Independent non-executive directors:	**獨立非執行董事：**						
Mr. Ge Xuan	葛旋先生		142	–	–	–	142
Mr. Lu Zhong	魯眾先生		142	–	–	–	142
Mr. Cheung Chung Yan David	張頌仁先生	(iv)	48	–	–	–	48
Dr. Tyen Kan Hee Anthony	田耕熹博士	(v)	426	–	–	–	426
			758	2,880	170	4,070	7,878
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度						
Executive directors:	執行董事：						
Mr. Yang Eric Qing	楊慶先生	(i)	–	1,454	89	6,203	7,746
Mr. Ng Kwok Leung Frank	伍國樑先生	(i)	–	1,454	89	5,131	6,674
Non-executive directors:	非執行董事：						
Mr. Liu Jiang	劉江先生		–	–	–	–	–
Mr. Fan Tai	樊泰先生		–	–	–	–	–
Mr. Chen Xian	陳弦先生		–	–	–	–	–
Mr. Hua Guanfa	華觀發先生	(ii)	–	–	–	–	–
Ms. Fu Qiang	傅強女士	(iii)	–	–	–	–	–
Independent non-executive directors:	獨立非執行董事：						
Mr. Ge Xuan	葛旋先生		160	–	–	–	160
Mr. Lu Zhong	魯眾先生		160	–	–	–	160
Mr. Cheung Chung Yan David	張頌仁先生	(iv)	217	–	–	–	217
			537	2,908	178	11,334	14,957

11. DIRECTORS' AND EMPLOYEES' REMUNERATIONS (Continued)

(a) Directors' remunerations (Continued)

Notes:

(i) Mr. Yang Eric Qing and Mr. Ng Kwok Leung Frank are also the co-chief executive officers of the Group for the years ended 31 December 2018 and 2017.

(ii) Resigned on 23 June 2017.

(iii) Appointed on 23 June 2017.

(iv) Resigned on 27 March 2018.

(v) Appointed on 27 March 2018.

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the years ended 31 December 2018 and 2017.

Directors' retirement benefits

During the year ended 31 December 2018, no retirement benefits were paid to or receivable by the directors in respect of their services as directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2017: Nil).

Directors' termination benefits

During the year ended 31 December 2018, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors of the Company (2017: Nil).

Consideration provided to or receivable by third parties for making available the services of a person as directors

During the year ended 31 December 2018, no consideration was provided to or receivable by third parties for making available directors' services (2017: Nil).

11. 董事薪酬及僱員薪酬(續)

(a) 董事薪酬(續)

附註:

(i) 截至二零一八年及二零一七年十二月三十一日止年度,楊慶先生及伍國樑先生亦擔任本集團聯席行政總裁。

(ii) 於二零一七年六月二十三日辭任。

(iii) 於二零一七年六月二十三日獲委任。

(iv) 於二零一八年三月二十七日辭任。

(v) 於二零一八年三月二十七日獲委任。

截至二零一八年及二零一七年十二月三十一日止年度,並無本公司董事放棄或同意放棄任何酬金之安排。

董事退休福利

截至二零一八年十二月三十一日止年度,概無董事就擔任本公司及其附屬公司董事而提供的服務或就管理本公司或其附屬公司事務而提供的其他服務而獲付或應收退休福利(二零一七年:零)。

董事終止福利

截至二零一八年十二月三十一日止年度,概無就終止董事服務而直接或間接向本公司董事支付或提供任何付款或福利(二零一七年:零)。

就提供董事服務而向第三方提供的代價或應收款

截至二零一八年十二月三十一日止年度,並無就提供董事服務而向第三方提供的代價或應收款(二零一七年:零)。

11. DIRECTORS' AND EMPLOYEES' REMUNERATIONS (Continued)

11. 董事薪酬及僱員薪酬(續)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included two (2017: two) directors whose emoluments are reflected in the analysis presented above. The emoluments paid/payable to the remaining three (2017: three) individuals during the year are as follows:

(b) 五名最高薪酬人士

年內本集團五名最高薪酬人士分別包括兩名(二零一七年:兩名)董事,其酬金已反映於上文分析中。年內已付/應付餘下三名(二零一七年:三名)人士的酬金如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	**4,983**	5,048
Discretionary bonus	酌情花紅	**—**	1,205
Retirement benefit scheme contributions	退休福利計劃供款	**172**	200
Share-based compensation expense	以股份為基礎的酬金開支	**983**	1,108
		6,138	7,561

The emoluments fell within the following bands:

酬金範圍介乎以下組別:

		2018 二零一八年	2017 二零一七年
Emolument bands	酬金組別		
HK$1,000,001 — HK$1,500,000	1,000,001港元至1,500,000港元	**—**	—
HK$1,500,001 — HK$2,000,000	1,500,001港元至2,000,000港元	**2**	1
HK$2,000,001 — HK$2,500,000	2,000,001港元至2,500,000港元	**—**	1
HK$2,500,001 — HK$3,000,000	2,500,001港元至3,000,000港元	**—**	—
HK$3,000,001 — HK$4,000,000	3,000,001港元至4,000,000港元	**1**	1
HK$4,000,001 — HK$5,000,000	4,000,001港元至5,000,000港元	**—**	—

No emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2017: nil).

年內本集團概無向任何董事或五名最高薪酬人士支付任何酬金以作為其加入本集團或加入本集團後的獎勵或離職補償(二零一七年:無)。

12. PROPERTY, PLANT AND EQUIPMENT 12. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Furniture and office equipment 傢俬及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Production equipment 生產設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	**於二零一七年一月一日**							
Cost	成本	29,450	72,190	18,798	1,630	–	–	122,068
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(10,062)	(41,460)	(8,426)	(556)	–	–	(60,504)
Net book amount	賬面淨值	19,388	30,730	10,372	1,074	–	–	61,564
Year ended 31 December 2017	**截至二零一七年十二月三十一日止年度**							
Opening net book amount	年初賬面淨值	19,388	30,730	10,372	1,074	–	–	61,564
Additions	添置	3,053	13,984	4,595	1,468	39,125	–	62,225
Disposals	出售	–	(477)	(43)	–	–	–	(520)
Disposal of subsidiaries (Note 35(c))	出售附屬公司(附註35(c))	–	(10)	–	–	–	–	(10)
Acquisition of a subsidiary (Note 34(c))	收購附屬公司(附註34(c))	–	–	38	–	–	–	38
Depreciation	折舊	(8,858)	(17,252)	(5,046)	(524)	–	–	(31,680)
Exchange differences	匯兑差額	(24)	(501)	(559)	–	–	–	(1,084)
Closing net book amount	年末賬面淨值	13,559	26,474	9,357	2,018	39,125	–	90,533
At 31 December 2017 and 1 January 2018	**於二零一七年十二月三十一日及二零一八年一月一日**							
Cost	成本	32,503	86,174	23,431	3,098	39,125	–	184,331
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(18,944)	(59,700)	(14,074)	(1,080)	–	–	(93,798)
Net book amount	賬面淨值	13,559	26,474	9,357	2,018	39,125	–	90,533
Year ended 31 December 2018	**截至二零一八年十二月三十一日止年度**							
Opening net book amount	年初賬面淨值	**13,559**	**26,474**	**9,357**	**2,018**	**39,125**	**–**	**90,533**
Additions	添置	**32,216**	**8,914**	**7,108**	**–**	**46,974**	**39,328**	**134,540**
Transfers	轉撥	**64,032**	**33**	**9,210**	**–**	**(86,589)**	**13,314**	**–**
Disposals	出售	**–**	**(634)**	**(262)**	**(1,399)**	**–**	**–**	**(2,295)**
Disposal of subsidiaries (Note 35(a) & (b))	出售附屬公司(附註35(a)及(b))	**(27,470)**	**(9,050)**	**(8,399)**	**–**	**–**	**(4,489)**	**(49,408)**
Acquisition of subsidiaries (Note 34(a) & (b))	收購附屬公司(附註34(a)及(b))	**7,868**	**4,306**	**3,798**	**1,061**	**–**	**1,211**	**18,244**
Depreciation	折舊	**(9,286)**	**(15,230)**	**(6,115)**	**(648)**	**(750)**	**(7,172)**	**(39,201)**
Exchange differences	匯兑差額	**3,680**	**862**	**934**	**–**	**1,240**	**1,759**	**8,475**
Closing net book amount	年末賬面淨值	**84,599**	**15,675**	**15,631**	**1,032**	**–**	**43,951**	**160,888**
At 31 December 2018	**於二零一八年十二月三十一日**							
Cost	成本	**105,641**	**52,190**	**29,830**	**2,217**	**–**	**51,390**	**241,268**
Accumulated depreciation and impairment losses	累計折舊及減值虧損	**(21,042)**	**(36,515)**	**(14,199)**	**(1,185)**	**–**	**(7,439)**	**(80,380)**
		84,599	**15,675**	**15,631**	**1,032**	**–**	**43,951**	**160,888**

12. PROPERTY, PLANT AND EQUIPMENT (Continued) 12. 物業、廠房及設備(續)

Depreciation charges recognised is analysed as follows: 已確認折舊費用分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost of revenue	收入成本	**4,363**	10,355
Selling and marketing expenses	銷售及市場推廣費用	**983**	7,711
Administrative expenses	行政開支	**33,630**	11,850
Research and development expenses	研發費用	**225**	1,764
		39,201	31,680

13. INTANGIBLE ASSETS 13. 無形資產

		Computer Software 電腦軟件 RMB'000 人民幣千元	Game intellectual properties, trademark and licenses 遊戲知識產權、商標及許可證 RMB'000 人民幣千元	Brand name 品牌名稱 RMB'000 人民幣千元	Programmes and film rights 節目及電影版權 RMB'000 人民幣千元	Unfinished contracts 未完成合約 RMB'000 人民幣千元	Development costs 開發成本 RMB'000 人民幣千元	Customer relationships 客戶關係 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	**於二零一七年一月一日**								
Cost	成本	15,889	121,727	105,608	107,170	31,376	32,425	47,357	461,552
Accumulated amortisation and impairment losses	累計折舊及減值虧損	(8,785)	(60,682)	(20,946)	(31,094)	(22,609)	–	(1,579)	(145,695)
Net book amount	賬面淨值	7,104	61,045	84,662	76,076	8,767	32,425	45,778	315,857
Year ended 31 December 2017	**截至二零一七年十二月三十一日止年度**								
Opening net book amount	年初賬面淨值	7,104	61,045	84,662	76,076	8,767	32,425	45,778	315,857
Transfers	轉撥	–	39,304	–	–	–	(39,304)	–	–
Additions	添置	443	6,926	6,772	93,591	–	32,399	–	140,131
Acquisition of a subsidiary (Note 34(c))	收購一間附屬公司(附註34(c))	–	371	–	–	–	–	–	371
Disposals	出售	–	(3,455)	–	–	–	–	–	(3,455)
Amortisation	攤銷	(2,530)	(28,929)	(13,885)	(57,957)	(5,409)	–	(7,868)	(116,578)
Exchange differences	匯兑差額	–	–	(4,733)	(4,417)	(330)	–	–	(9,480)
Closing net book amount	年末賬面淨值	5,017	75,262	72,816	107,293	3,028	25,520	37,910	326,846
At 31 December 2017 and 1 January 2018	**於二零一七年十二月三十一日及二零一八年一月一日**								
Cost	成本	16,332	164,343	112,380	200,761	31,376	25,520	47,357	598,069
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	(11,315)	(89,081)	(39,564)	(93,468)	(28,348)	–	(9,447)	(271,223)
Net book amount	賬面淨值	5,017	75,262	72,816	107,293	3,028	25,520	37,910	326,846
Year ended 31 December 2018	**截至二零一八年十二月三十一日止年度**								
Opening net book amount	年初賬面淨值	**5,017**	**75,262**	**72,816**	**107,293**	**3,028**	**25,520**	**37,910**	**326,846**
Additions	添置	**3,686**	**808**	**–**	**37,698**	**–**	**8,394**	**–**	**50,586**
Acquisition of subsidiaries (Note 34(a) & (b))	收購附屬公司(附註34(a)及(b))	**–**	**175,227**	**–**	**–**	**–**	**–**	**6,142**	**181,369**
Disposal of subsidiaries (Note 35(a) & (b))	出售附屬公司(附註35(a)及(b))	**(553)**	**(961)**	**–**	**–**	**–**	**–**	**(6,451)**	**(7,965)**
Disposals	出售	**–**	**(2,369)**	**–**	**–**	**–**	**–**	**–**	**(2,369)**
Amortisation	攤銷	**(2,025)**	**(66,379)**	**(13,478)**	**(10,604)**	**(3,065)**	**–**	**(4,047)**	**(99,598)**
Impairment loss (Note 40)	減值虧損(附註40)	**(2,105)**	**(56,634)**	**–**	**–**	**–**	**(32,785)**	**(33,863)**	**(125,387)**
Exchange differences	匯兑差額	**66**	**86**	**3,163**	**6,413**	**37**	**–**	**309**	**10,074**
Closing net book amount	年末賬面淨值	**4,086**	**125,040**	**62,501**	**140,800**	**–**	**1,129**	**–**	**333,556**
At 31 December 2018	**於二零一八年十二月三十一日**								
Cost	成本	**19,760**	**337,502**	**114,086**	**238,459**	**31,376**	**33,914**	**47,357**	**822,454**
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	**(15,674)**	**(212,462)**	**(51,585)**	**(97,659)**	**(31,376)**	**(32,785)**	**(47,357)**	**(488,898)**
Net book amount	賬面淨值	**4,086**	**125,040**	**62,501**	**140,800**	**–**	**1,129**	**–**	**333,556**

13. INTANGIBLE ASSETS (Continued)

Amortisation charges recognised is analysed as follows:

13. 無形資產(續)

已確認攤銷費用分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost of revenue	收入成本	**13,733**	30,119
Selling and marketing expenses	銷售及市場推廣費用	**12**	8,127
Administrative expenses	行政開支	**85,627**	78,315
Research and development expenses	研發費用	**226**	17
		99,598	116,578

14. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

14. 商譽

商譽賬面淨值可分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	**129,443**	104,050
Acquisitions of subsidiaries (Note 34)	收購附屬公司(附註34)	**97,307**	34,409
Disposal of subsidiaries (Note 35(b))	出售附屬公司(附註35(b))	**(24,067)**	—
Provision for impairment (Note 40)	減值撥備(附註40)	**(28,170)**	—
Net exchange differences	匯兑差額淨值	**5,928**	(9,016)
At 31 December	於十二月三十一日	**180,441**	129,443

The carrying amount of goodwill, net of any impairment loss, is allocated to the cash generating units of the following segments:

商譽之賬面值(扣除任何減值虧損)分配至以下分部之現金產生單位：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Online games business – Lianzhong Group	線上遊戲業務－聯眾集團		
— Beijing Zhangzhong Qiji Technology Co., Limited	－北京掌中奇跡科技有限公司	**6,238**	34,409
— Nanjing Haoyun Meicheng Electronics Co., Ltd.	－南京好運美成電子科技有限公司	**74,394**	—
— Others	－其他	**200**	200
		80,832	34,609
Online games business – Peerless Group	線上遊戲業務－Peerless集團	**99,609**	94,834
		180,441	129,443

14. GOODWILL (Continued)

The recoverable amounts of goodwill relating to Beijing Zhangzhong Qiji Technology Co., Limited of RMB6,238,000 (2017: RMB34,409,000) were determined based on value-in-use calculations, using an annual cash flow budget plan covering a two-year period (2017: five-year period with estimated long-term growth rate of 2.9%) per annum for the operations. A discount factor of 23.4% (2017: 23.4%) per annum was applied in the value in use model.

The recoverable amounts of goodwill relating to Nanjing Haoyun Meicheng Electronics Co., Ltd. of RMB74,394,000 were determined based on value-in-use calculations, using an annual cash flow budget plan covering a five-year period with estimated long-term growth rate of 3.0% per annum for the operations. A discount factor of 29.8% per annum was applied in the value in use model.

The recoverable amounts of goodwill relating to the segment of Online games business — Peerless Group of RMB99,609,000 (2017: RMB94,834,000) were determined based on value-in-use calculations, using an annual cash flow budget plan covering a five-year period with estimated long-term growth rate of 2.3% (2017: 2.3%) per annum for the operations. A discount factor of 16.0% (2017: 16.0%) per annum was applied in the value in use model.

The key assumptions include profit margins, which have been determined based on the expectations for market share after taking into consideration current economic environment and market forecast. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts of the units to exceed their respective aggregate recoverable amounts.

14. 商譽(續)

北京掌中奇跡科技有限公司相關之商譽之可回收款項人民幣6,238,000元(二零一七年:人民幣34,409,000元)乃根據使用價值計算,並採用兩年期年度現金流預測計劃(二零一七年:五年期年度現金流預測計劃及估計長期營運年增長率2.9%)釐定。使用價值模式所應用之年貼現率為23.4%(二零一七年:23.4%)。

南京好運美成電子科技有限公司相關之商譽之可回收款項人民幣74,394,000元乃根據使用價值計算,並採用五年期年度現金流預測計劃及估計長期營運年增長率3.0%釐定。使用價值模式所應用之年貼現率為29.8%。

與線上遊戲業務 — Peerless集團分部相關之商譽之可回收金額人民幣99,609,000元(二零一七年:人民幣94,834,000元)乃根據使用價值計算,並採用五年期年度現金流預測計劃及估計長期營運年增長率2.3%(二零一七年:2.3%)釐定。使用價值模式所應用之年貼現率為16.0%(二零一七年:16.0%)。

主要假設包括利潤率,利潤率乃根據經考慮現時經濟環境及市場預測後之預期市場份額釐定。董事認為可收回金額所基於之任何主要假設發生合理可能變更均不會導致單位賬面值超過其各自的可收回金額總額。

15. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2018 and 2017 are as follows:

15. 於附屬公司的權益

於二零一八年及二零一七年十二月三十一日主要附屬公司詳情如下：

Name of company 公司名稱	Country/Place and date of incorporation/establishment 註冊成立／設立的國家／地點及日期	Type of legal entity 法人類別	Issued and paid in capital/registered capital 已發行及實繳資本／註冊資本	Equity interest held 持有股權	Principal activities and place of operation 主要業務及運營地點
Directly held by the Company **本公司直接持有**					
Lianzhong Holdings (Hong Kong) Limited 聯眾控股(香港)有限公司	Hong Kong/18 December 2013 香港／二零一三年十二月十八日	Limited liability company 有限責任公司	100 ordinary shares 100股普通股	100%	Investment holding 投資控股
Noble Link Global Limited	British Virgin Islands ("BVI")/5 May 2016 英屬維爾京群島(「英屬維爾京群島」)／二零一六年五月五日	Limited liability company 有限責任公司	100 ordinary shares 100股普通股	100%	Investment holding 投資控股
Huge Grace Holdings Limited 彩泰集團有限公司	Hong Kong/18 November 2016 香港／二零一六年十一月十八日	Limited liability company 有限責任公司	1 ordinary share 1股普通股	100%	Investment holding 投資控股
Primo Vital Limited	BVI/13 February 2018 英屬維爾京群島／二零一八年二月十三日	Limited liability company 有限責任公司	100 ordinary shares 100股普通股	100%	Investment holding 投資控股
White Skyline Limited	BVI/2 May 2018 英屬維爾京群島／二零一八年五月二日	Limited liability company 有限責任公司	1 ordinary share 1股普通股	100%	Investment holding 投資控股
Indirectly held by the Company **本公司間接持有**					
Beijing Lianzhong Garden Network Technology Co., Ltd 北京聯眾家園網絡科技有限責任公司	PRC/21 January 2014 中國／二零一四年一月二十一日	Limited liability company 有限責任公司	US$350,000 350,000美元	100%	Provision of computer related technical support, in PRC 於中國提供計算機相關技術支援
Beijing Lianzhong Co., Ltd. 北京聯眾互動網絡股份有限公司	PRC/23 March 1998 中國／一九九八年三月二十三日	Limited liability company 有限責任公司	RMB72,000,000 人民幣72,000,000元	100%	Development and operation of online card and board games, in PRC 於中國開發及運營在線棋牌遊戲

15. INTERESTS IN SUBSIDIARIES (Continued) 15. 於附屬公司的權益(續)

Name of company 公司名稱	Country/Place and date of incorporation/establishment 註冊成立／設立的國家／地點及日期	Type of legal entity 法人類別	Issued and paid in capital/registered capital 已發行及實繳資本／註冊資本	Equity interest held 持有股權	Principal activities and place of operation 主要業務及運營地點
Indirectly held by the Company (Continued) **本公司間接持有(續)**					
Lianzhong International Company Limited 聯眾國際有限公司	BVI/11 July 2011 英屬維爾京群島／二零一一年七月十一日	Limited liability company 有限責任公司	US$1,780,000 1,780,000美元	100%	PC games operation, in PRC 於中國運營PC遊戲
Shanghai Lianzhong Garden Computer Technology Co., Ltd. 上海聯眾家園電腦技術有限責任公司	PRC/23 October 2013 中國／二零一三年十月二十三日	Limited liability company 有限責任公司	RMB10,000,000 人民幣10,000,000元	100%	Mobile games operation, in PRC 於中國運營移動遊戲
Nanjing Shouyou Interactive Network Co., Ltd. 南京首游互動網絡有限公司	PRC/24 February 2014 中國／二零一四年二月二十四日	Limited liability company 有限責任公司	RMB10,000,000 人民幣10,000,000元	100%	Mobile games operation, in PRC 於中國運營移動遊戲
Tianjin Zhangzhongshangku Technology Co., Ltd. 天津掌中尚酷科技有限公司	PRC/9 April 2014 中國／二零一四年四月九日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲
Tianjin Wanlianshifang Technology Co., Ltd. 天津萬聯十方科技有限公司	PRC/9 April 2014 中國／二零一四年四月九日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲
Tianjin Juxian Tongchuang Technology Development Co., Ltd. 天津聚賢同創科技發展有限公司	PRC/31 October 2014 中國／二零一四年十月三十一日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲
Tianjin Miaoshou Kuyou Information Technology Co., Ltd. 天津妙手酷遊信息技術有限公司	PRC/31 October 2014 中國／二零一四年十月三十一日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲
Tianjin Shouyou Shikong Information Technology Co., Ltd. 天津首遊時空信息技術有限公司	PRC/31 October2014 中國／二零一四年十月三十一日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲
Tianjin Lianzhong Yidong Technology Development Co., Ltd. 天津聯眾逸動科技發展有限公司	PRC/11 November 2014 中國／二零一四年十一月三十一日	Limited liability company 有限責任公司	RMB10,000,000 人民幣10,000,000元	100%	PC and mobile games development and operation, in PRC 於中國開發及運營移動遊戲

15. INTERESTS IN SUBSIDIARIES (Continued) 15. 於附屬公司的權益(續)

Name of company 公司名稱	Country/Place and date of incorporation/establishment 註冊成立／設立的國家／地點及日期	Type of legal entity 法人類別	Issued and paid in capital/registered capital 已發行及實繳資本／註冊資本	Equity interest held 持有股權	Principal activities and place of operation 主要業務及運營地點
Indirectly held by the Company (Continued) **本公司間接持有(續)**					
Tianjin Lianzhong Enjoyment Technology Development Limited 天津聯眾樂趣科技發展有限公司	PRC/4 December 2014 中國／二零一四年十二月四日	Limited liability company 有限責任公司	RMB100,000,000 人民幣100,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲
Dalian Zhangzhong Youshi Technology Development Co., Ltd. 大連掌中優勢科技發展有限公司	PRC/9 December 2014 中國／二零一四年十二月九日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲
Beijing Guangyao Hudong Technology Development Co., Ltd. 北京光曜互動科技發展有限公司	PRC/7 December 2016 中國／二零一六年十二月七日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Investment holding, in PRC 於中國投資控股
Tianjin Shengyou Shidai Technology Development Co., Ltd. 天津盛游時代科技發展有限公司	PRC/21 July 2015 中國／二零一五年七月二十一日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Investment holding, in PRC 於中國投資控股
Beijing Wangyu Lianzhong Internet Service Co., Ltd. 北京網魚聯眾互聯網上網服務有限公司	PRC/12 August 2015 中國／二零一五年八月十二日	Limited liability company 有限責任公司	RMB30,000,000 人民幣30,000,000元	0% (2017: 69.45%) (二零一七年：69.45%)	Operation of an internet cafe, in PRC 於中國經營一家網吧
Tianjin Allied Esports Internet Technology Co., Ltd. ("Tianjin Allied Esports") 天津聯盟電競互聯網科技有限公司(「天津聯盟電競」)	PRC/25 December 2015 中國／二零一五年十二月二十五日	Limited liability company 有限責任公司	RMB67,918,000 人民幣67,918,000元	0% (2017: 69.45%) (二零一七年：69.45%)	Investment holding, in PRC 於中國投資控股
Beijing Zhangzhong Qiji Technology Co., Limited 北京掌中奇跡科技有限公司	PRC/26 December 2014 中國／二零一四年十二月二十六日	Limited liability company 有限責任公司	RMB666,700 人民幣666,700元	100%	PC and mobile games development and operation, in PRC 於中國開發及運營PC及移動遊戲
Peerless Media Limited	Gibraltar/27 September 2004 直布羅陀／二零零四年九月二十七日	Limited liability company 有限責任公司	2,200 ordinary shares 2,200股普通股	100%	Television production, brand licensing and tour management, in Gibraltar 於直布羅陀從事電視內容製作、品牌授權及比賽管理

15. INTERESTS IN SUBSIDIARIES (Continued) 15. 於附屬公司的權益(續)

Name of company 公司名稱	Country/Place and date of incorporation/establishment 註冊成立／設立的國家／地點及日期	Type of legal entity 法人類別	Issued and paid in capital/registered capital 已發行及實繳資本／註冊資本	Equity interest held 持有股權	Principal activities and place of operation 主要業務及運營地點
Indirectly held by the Company (Continued) **本公司間接持有(續)**					
Club Service Inc.	US/3 March 2010 美國／二零一零年三月三日	Limited liability company 有限責任公司	1 ordinary share 1股普通股	100%	PC and mobile games development and operation, in US 於美國開發及運營PC及移動遊戲
WPT Enterprise Inc.	US/16 October 2009 美國／二零零九年十月十六日	Limited liability company 有限責任公司	1 ordinary share 1股普通股	100%	Television production, brand licensing and tour management, in US 於美國從事電視內容製作、品牌授權及比賽管理
Allied Esports Entertainment, Inc. ("Allied Esports Entertainment")	US/5 November 2018 美國／二零一八年十一月五日	Limited liability company 有限責任公司	US$10,000 10,000美元	85.11% (2017: 0%) (二零一七年：0%)	Investment holding, in US 於美國投資控股
Allied Esports International Holdings Limited	Ireland/5 October 2017 愛爾蘭／二零一七年十月五日	Limited liability company 有限責任公司	EUR1 1歐元	94.12% (2017: 69.45%) (二零一七年：69.45%)	Investment holding, in Ireland 於愛爾蘭投資控股
Allied Esports International, Inc.	US/25 January 2017 美國／二零一七年一月二十五日	Limited liability company 有限責任公司	–	85.11% (2017: 69.45%) (二零一七年：69.45%)	Operation of eSports activities, in US 於美國運營電競業務
Champ Creation International Limited	HK/8 November 2016 香港／二零一六年十一月八日	Limited liability company 有限責任公司	HK$1 1港元	94.12% (2017: 69.45%) (二零一七年：69.45%)	Investment holding, in HK 於香港投資控股
ELC Gaming Limited	Ireland/11 July 2016 愛爾蘭／二零一六年七月十一日	Limited liability company 有限責任公司	EUR100 100歐元	94.12% (2017: 48.61%) (二零一七年：48.61%)	Operation of eSports activities, in Europe 於歐洲運營電競業務
ELC Gaming GmbH	Germany/2 June 2016 德國／二零一六年六月二日	Limited liability company 有限責任公司	EUR25,000 25,000歐元	85.11% (2017: 48.16%) (二零一七年：48.16%)	Operation of eSports activities, in Europe 於歐洲運營電競業務

15. INTERESTS IN SUBSIDIARIES (Continued) 15. 於附屬公司的權益(續)

Name of company 公司名稱	Country/Place and date of incorporation/establishment 註冊成立/設立的國家/地點及日期	Type of legal entity 法人類別	Issued and paid in capital/registered capital 已發行及實繳資本/註冊資本	Equity interest held 持有股權	Principal activities and place of operation 主要業務及運營地點
Indirectly held by the Company (Continued) **本公司間接持有(續)**					
Nanjing Haoyun Meicheng Electronics Co., Ltd. 南京好運美成電子科技有限公司	PRC/23 August 2012 中國/二零一二年八月二十三日	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	Mobile games development and operation, in PRC 於中國開發及運營移動遊戲

The English name of certain companies referred herein represent management's best effort at translating the Chinese names of these companies as no English name has been registered.

本報表所提述的若干公司的英文名稱乃由管理層盡最大之努力由該等公司之中文名稱翻譯而來，因其並無註冊英文名稱。

The following table list out the financial information related to Allied Esports Entertainment, Inc. ("Allied Esports Entertainment") and its subsidiaries ("Allied Esports Entertainment Group"), of which the Group has material non-controlling interests during the year ended 31 December 2018. The summarised financial information presented below represents the amounts before any inter-company elimination.

下表載列有關截至二零一八年十二月三十一日止年度Allied Esports Entertainment, Inc.(「Allied Esports Entertainment」)及其附屬公司(「Allied Esports Entertainment集團」)(本集團擁有重大非控股權益)的財務資料。下文呈列的財務資料概要指於任何集團內公司間抵銷前的款項。

15. INTERESTS IN SUBSIDIARIES (Continued) 15. 於附屬公司的權益(續)

Allied Esports Entertainment Group	Allied Esports Entertainment集團	2018 二零一八年 RMB'000 人民幣千元
Proportion of ownership interests and voting rights held by the non-controlling shareholders	非控股股東所持有的擁有權及投票權比例	14.89%
Current assets	流動資產	68,083
Non-current assets	非流動資產	157,130
Current liabilities	流動負債	(124,882)
Non-current liabilities	非流動負債	—
Net assets	資產淨值	100,331
Revenue	收入	5,003
Total expenses	開支總額	(34,281)
Loss for the year	年內虧損	(29,278)
Other comprehensive income for the year	年內其他全面收入	—
Total comprehensive loss for the year	年內全面虧損總額	(29,278)
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	(24,919)
Loss attributable to non-controlling shareholders	非控股股東應佔虧損	(4,359)
		(29,278)
Total comprehensive loss attributable to equity holders of the Company	本公司股權持有人應佔全面虧損總額	(24,919)
Total comprehensive loss attributable to non-controlling shareholders	非控股股東應佔全面虧損總額	(4,359)
		(29,278)
Net cash flows from operating activities	經營活動所得現金流量淨值	3,000
Net cash flows from investing activities	投資活動所得現金流量淨值	—
Net cash flows from financing activities	融資活動所得現金流量淨值	—
Net cash inflows	現金流入淨值	3,000

15. INTERESTS IN SUBSIDIARIES (Continued)

The following table list out the financial information related to Tianjin Allied Esports and its subsidiaries, of which the Group has material non-controlling interests during the years ended 31 December 2018 and 2017. The summarised financial information presented below represents the amounts before any inter-company elimination.

15. 於附屬公司的權益(續)

下表載列有關截至二零一八年及二零一七年十二月三十一日止年度天津聯盟電競及其附屬公司(本集團擁有重大非控股權益)的財務資料。下文呈列的財務資料概要指於任何集團內公司間抵銷前的款項。

Tianjin Allied Esports Group	天津聯盟電競集團	**2018** **二零一八年** **RMB'000** **人民幣千元**	2017 二零一七年 RMB'000 人民幣千元
Proportion of ownership interests and voting rights held by the non-controlling shareholders	非控股股東所持有的擁有權及投票權比例	**0.00%**	30.55%
Current assets	流動資產	**—**	142,483
Non-current assets	非流動資產	**—**	100,941
Current liabilities	流動負債	**—**	(15,616)
Non-current liabilities	非流動負債	**—**	(194,178)
Net assets	資產淨值	**—**	33,630
Revenue	收入	**41,073**	20,095
Other income	其他收入	**63**	402
Total expenses	開支總額	**(274,866)**	(74,615)
Loss for the year	年內虧損	**(233,730)**	(54,118)
Other comprehensive income for the year	年內其他全面收入	**11,359**	2,810
Total comprehensive loss for the year	年內全面虧損總額	**(222,371)**	(51,308)
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	**(163,546)**	(35,158)
Loss attributable to non-controlling shareholders	非控股股東應佔虧損	**(70,184)**	(18,960)
		(233,730)	(54,118)
Total comprehensive loss attributable to equity holders of the Company	本公司股權持有人應佔全面虧損總額	**(153,464)**	(32,683)
Total comprehensive loss attributable to non-controlling shareholders	非控股股東應佔全面虧損總額	**(68,907)**	(18,625)
		(222,371)	(51,308)
Net cash flows from/(used in) operating activities	經營活動所得/(所用)現金流量淨值	**64,821**	(86,579)
Net cash flows used in investing activities	投資活動所用現金流量淨值	**(69,966)**	(138,093)
Net cash flows from financing activities	融資活動所得現金流量淨值	**—**	254,178
Net cash (outflows)/inflows	現金(流出)/流入淨值	**(5,145)**	29,506

16. INTERESTS IN ASSOCIATES

16. 於聯營公司的權益

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	**102,915**	75,894
Additions	添置	**—**	36,778
Disposals	出售	**(26,891)**	(6,236)
Reclassification from interest in a subsidiary (note (c) & (d))	自附屬公司權益重新分類(附註(c)及(d))	**18,792**	1,033
Share of loss of associates	分佔聯營公司虧損	**(16,662)**	(4,554)
Provision for impairment of interests in associates (Note 40)	於聯營公司之權益減值撥備(附註40)	**(57,568)**	—
At 31 December	於十二月三十一日	**20,586**	102,915
Share of net assets and goodwill	分佔資產淨值及商譽	**82,381**	107,142
Provision for impairment of interests in associates	於聯營公司之權益減值撥備	**(61,795)**	(4,227)
		20,586	102,915

Movement in the provision for impairment of interests in associates is as follows:

於聯營公司之權益減值撥備變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	**4,227**	4,227
Provision for impairment	減值撥備	**57,568**	—
At 31 December	於十二月三十一日	**61,795**	4,227

16. INTERESTS IN ASSOCIATES (Continued)

16. 於聯營公司的權益(續)

As at 31 December 2018, the Group had interests in the following associates, all of which are considered not individually material to the Group:

於二零一八年十二月三十一日，本集團擁有以下被認為單獨對本集團並不重大的聯營公司權益：

Name of company 公司名稱	Country of establishment 成立所在的國家	Paid in capital 實繳股本	Attributable equity interest held by the Group 本集團持有的應佔股權	Principal activities and place of operation 主要業務及運營地點
Beijing Linghegu Online Technology Co., Ltd. ("Beijing Linghegu") (notes (a) & (e))	PRC	RMB1,371,429	14.21%	Provision of technology development and consultation services, in PRC
北京零禾穀網絡科技有限責任公司(「北京零禾穀」)(附註(a)及(e))	中國	人民幣1,371,429元		於中國提供技術開發及諮詢服務
Tianjin Huandu Network Technology Co., Ltd ("Tianjin Huandu")	PRC	RMB127,692	27.3%	Operation of billiards business and development of mobile games, in PRC
天津歡度網絡科技有限公司(「天津歡度」)	中國	人民幣127,692元		於中國經營檯球業務及開發移動遊戲
Chengdu ZhiWeiXing Network Technology Co., Ltd. ("ZhiWeiXing") (note (a))	PRC	RMB1,000,000	15.0%	Mobile game development and operation, in PRC
成都指微星網路科技有限公司(「指微星」)(附註(a))	中國	人民幣1,000,000元		於中國開發及營運移動遊戲
Tianjin Zhongqi Weiye Sports Development Co., Ltd. ("Tianjin Zhongqi Weiye") (note (b))	PRC	RMB10,526,320	40.6%	Mobile games development and operation, in PRC
天津中棋惟業體育發展有限公司(「天津中棋惟業」)(附註(b))	中國	人民幣10,526,320元		於中國開發及營運移動遊戲
Beijing Zhijing Zhonghe Cultural Media Co., Ltd. ("Beijing Zhijing Zhonghe")	PRC	RMB3,950,000	35.0%	Mobile games development and operation, in PRC
北京智競眾合文化傳媒有限公司(「北京智競眾合」)	中國	人民幣3,950,000元		於中國開發及營運移動遊戲

16. INTERESTS IN ASSOCIATES (Continued) 16. 於聯營公司的權益(續)

Name of company 公司名稱	Country of establishment 成立所在的國家	Paid in capital 實繳股本	Attributable equity interest held by the Group 本集團持有的應佔股權	Principal activities and place of operation 主要業務及運營地點
Beijing Zhangwanbao Information Technology Co., Ltd. ("Beijing Zhangwanbao") 北京掌萬寶信息技術有限公司(「北京掌萬寶」)	PRC 中國	RMB5,750,000 人民幣5,750,000元	35.0%	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Beijing Xunteng Tianxia Technology Co., Ltd. ("Beijing Xunteng Tianxia") 北京訊騰天下科技有限公司(「北京訊騰天下」)	PRC 中國	RMB1,250,000 人民幣1,250,000元	20.0%	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Hainan Tichuang Lianzhong Sport Cultural Co., Ltd. ("Hainan Tichuang Lianzhong") 海南體窗聯眾體育文化有限公司(「海南體窗聯眾」)	PRC 中國	RMB5,000,000 人民幣5,000,000元	45.0%	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Beijing Shuimu Zhiyu Co., Ltd. ("Beijing Shuimu Zhiyu") 北京水木智娛有限公司(「北京水木智娛」)	PRC 中國	RMB2,113,171 (2017: RMB1,538,460) 人民幣2,113,171元(二零一七年:人民幣1,538,460元)	20.3% (2017: 23.88%) (二零一七年:23.88%)	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Beijing Shiqi Zhiyi Culture Broadcast Co., Ltd. ("Beijing Shiqi Zhiyi") 北京世棋智奕文化傳播有限責任公司(「北京世棋智奕」)	PRC 中國	RMB50,000 人民幣50,000元	40.0%	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Beijing Weichu Information Technology Co., Ltd.("Beijing Weichu") 北京微觸資訊技術有限公司(「北京微觸」)	PRC 中國	RMB1,538,460 人民幣1,538,460元	35.0%	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲

16. INTERESTS IN ASSOCIATES (Continued) 16. 於聯營公司的權益(續)

Name of company 公司名稱	Country of establishment 成立所在的國家	Paid in capital 實繳股本	Attributable equity interest held by the Group 本集團持有的應佔股權	Principal activities and place of operation 主要業務及運營地點
Zhike Zongheng Cultural Media (Beijing) Co., Ltd. ("Zhike Zongheng") 智客縱橫文化傳媒(北京)有限公司(「智客縱橫」)	PRC 中國	RMB289,465 人民幣289,465元	20.0%	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Beijing Chinese Racing Pigeon Sports Culture Development Co., Ltd. ("Beijing Chinese Racing Pigeon") 北京中競鴿體育文化發展有限公司(「北京中競鴿」)	PRC 中國	RMB10,000,000 人民幣10,000,000元	39.5% (2017: 42.5%) (二零一七年:42.5%)	Operation of racing pigeon sports competitions, in PRC 於中國運營競鴿體育競賽
Beijing Yiqu Hucai Technology Co., Ltd. ("Beijing Yiqu Hucai") 北京奕趣互彩科技有限公司(「北京奕趣互彩」)	PRC 中國	RMB1,000,000 人民幣1,000,000元	Nil (2017: 30.0%) 無(二零一七年:30.0%)	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Beijing Boyue Ledong Technology Co., Ltd. ("Beijing Boyue Ledong") 北京博悅樂動科技有限公司(「北京博悅樂動」)	PRC 中國	RMB50,000,000 人民幣50,000,000元	Nil (2017: 30.0%) 無(二零一七年:30.0%)	Mobile games development and operation, in PRC 於中國開發及營運移動遊戲
Shenzhen SEG Lianzhong Internet Technology Co., Ltd. ("Shenzhen SEG Lianzhong") 深圳賽格聯眾互聯網科技有限公司(「深圳賽格聯眾」)	PRC 中國	RMB24,800,000 人民幣24,800,000元	Nil (2017: 45.0%) 無(二零一七年:45.0%)	Operation of eSports stadium, in PRC 於中國經營電競館

16. INTERESTS IN ASSOCIATES (Continued) 16. 於聯營公司的權益(續)

Name of company 公司名稱	Country of establishment 成立所在的國家	Paid in capital 實繳股本	Attributable equity interest held by the Group 本集團持有的應佔股權	Principal activities and place of operation 主要業務及運營地點
eSports Arena LLC ("eSports Arena") (note (a)) (附註(a))	US 美國	US$2,809,000 2,809,000美元	25.0% (2017: 18.0%) (二零一七年：18.0%)	Organising and broadcasting video gaming competitions and entertainment events in the eSports industry, in US 於美國組織廣播電子遊戲比賽及電競行業的娛樂項目

Notes:

(a) Management has assessed the level of influence that the Group has on certain associates, with a total carrying amount of RMB381,000 as at 31 December 2018 (2017: RMB14,880,000), and determined that it has significant influence even though the respective shareholding is below 20% because of the board representation. Consequently, these investments have been classified as the Group's associates.

附註：

(a) 管理層已評估本集團對若干於二零一八年十二月三十一日賬面值總額人民幣381,000元(二零一七年：人民幣14,880,000元)的聯營公司的影響力程度作出評估，並釐定儘管相關持股量低於20%，但由於本集團在董事會有代表權，其對聯營公司仍有重大影響力。因此，該等投資被分類為本集團聯營公司。

16. INTERESTS IN ASSOCIATES (Continued)

(b) In December 2017, the Group has disposed of 5% equity interests in Tianjin Zhongqi Weiye for a cash consideration of RMB35,000,000. The key terms are as follows:

Profit Guarantee

Pursuant to the disposal agreement, the Group undertook that the audited net profit of Tianjin Zhongqi Weiye for the year ending 31 December 2017 and 31 December 2018 shall not be less than RMB20,000,000 and RMB50,000,000 respectively (the "Tianjin Zhongqi Weiye's Guarantee Profit"). If the audited net profits are less than the guaranteed amount, the Group shall transfer to the buyer a maximum of 5% equity interests in Tianjin Zhongqi Weiye at nil consideration.

Option to acquire further interest in the Tianjin Zhongqi Weiye

The Group has granted an option to the buyer to acquire a further 5% equity interest in the Tianjin Zhongqi Weiye at a cash consideration of RMB35,000,000 within twelve months of the disposal date (the "Tianjin Zhongqi Weiye's Call Option").

The directors, with assistance of a professional valuer, have determined the fair values of the Tianjin Zhongqi Weiye's Guarantee Profit and the Tianjin Zhongqi Weiye's Call Option amounting to RMB2,422,000 at the date of the acquisition. The amount is recognised as contingent consideration payable of the Group (Note 25).

16. 於聯營公司的權益(續)

(b) 於二零一七年十二月，本集團已出售天津中棋惟業5%股權，現金代價為人民幣35,000,000元。主要條款如下：

溢利擔保

根據出售協議，本集團承諾截至二零一七年十二月三十一日及二零一八年十二月三十一日止年度天津中棋惟業經審核溢利淨額分別不得少於人民幣20,000,000元及人民幣50,000,000元(「天津中棋惟業擔保溢利」)。倘經審核溢利淨額少於擔保金額，本集團無償向買家轉讓天津中棋惟業最高5%股權。

收購天津中棋惟業額外權益之購股權

本集團向買方授出一項購股權，可於出售日期後十二個月內以現金代價人民幣35,000,000元收購天津中棋惟業額外5%之股權(「天津中棋惟業認購期權」)。

董事在專業估值師的協助下於收購日期釐定天津中棋惟業擔保溢利及天津中棋惟業認購期權的公允值為人民幣2,422,000元。該金額已確認為本集團應付或然代價(附註25)。

		RMB'000 人民幣千元
Consideration receivable	應收代價	35,000
Net assets disposed of	出售資產淨值	(4,946)
Fair values of Tianjin Zhongqi Weiye's Guarantee Profit and Tianjin Zhongqi Weiye's Call Option (note 25)	天津中棋惟業擔保溢利及天津中棋惟業認購期權的公允值(附註25)	(2,422)
Gain on partial disposal of an associate (Note 6)	部分出售一間聯營公司之收益(附註6)	27,632

A gain on disposal of partial interest of RMB27,632,000 was recognised in profit or loss during the year ended 31 December 2017.

截至二零一七年十二月三十一日止年度，出售部分權益之收益人民幣27,632,000元已於損益內確認。

For the year ended 31 December 2018, Tianjin Zhongqi Weiye did not meet the profit guarantee of RMB50,000,000. The Group was therefore liable for transferring 5% of equity interests in Tianjin Zhongqi Weiye to the buyer at nil consideration. As at 31 December 2018, the Group has accrued RMB889,000 for consideration payable for such profit guarantee and further acquisition option (note 22), with reference to carrying amount of net asset value of Tianjin Zhongqi Weiye as at 31 December 2018.

截至二零一八年十二月三十一日止年度，天津中棋惟業並未達致人民幣50,000,000元的溢利擔保。因此，本集團須無償將其於天津中棋惟業的5%股權轉讓予買方。於二零一八年十二月三十一日，本集團經參考天津中棋惟業於二零一八年十二月三十一日的資產淨值賬面值，已就有關溢利擔保及進一步收購期權的應付代價(附註22)累計人民幣889,000元。

16. INTERESTS IN ASSOCIATES (Continued)

Notes: (Continued)

(c) Upon the disposal of 12.5% equity interest in Beijing Chinese Racing Pigeon Sports Culture Development Co., Ltd. (北京中競鴿體育文化發展有限公司, "Beijing Chinese Racing Pigeon") in July 2017, the Group's equity interest in Beijing Chinese Racing Pigeon was reduced to 42.5%, resulting in loss of control over Beijing Chinese Racing Pigeon. Accordingly, the fair value of the retained interest in Beijing Chinese Racing Pigeon amounting to RMB1,033,000 was reclassified as interest in associates (note 35(c)).

(d) Upon the disposal of 57.44% equity interests in eSports Arena LLC ("eSports Arena") in August 2018, the Group's equity interest in eSports Arena was reduced to 25%, resulting in loss of control over eSports Arena. Accordingly, the fair value of the retained interest in eSports Arena amounting to RMB18,792,000 was reclassified as interest in associates (note 35(b)).

Set out below are the summarised financial information of each of the material associate which are accounted for using the equity method:

16. 於聯營公司的權益(續)

附註:(續)

(c) 於二零一七年七月出售北京中競鴿體育文化發展有限公司(「北京中競鴿」)12.5%股權後,本集團於北京中競鴿之股權減至42.5%,導致失去對北京中競鴿的控制權。因此,於北京中競鴿的保留權益的公允值人民幣1,033,000元重新分類為於聯營公司的權益(附註35(c))。

(d) 於二零一八年八月出售eSports Arena LLC(「eSports Arena」)57.44%股權後,本集團於eSports Arena之股權減至25%,導致失去對eSports Arena的控制權。因此,於eSports Arena的保留權益的公允值人民幣18,792,000元重新分類為於聯營公司的權益(附註35(b))。

下表載列各重要聯營公司使用權益法入賬之財務資料概要:

		Beijing Weichu 北京微觸		Tianjin Zhongqi Weiye 天津中棋惟業		Esports Arena	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	**2018 二零一八年 RMB'000 人民幣千元**	2017 二零一七年 RMB'000 人民幣千元	**2018 二零一八年 RMB'000 人民幣千元**	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	**2,524**	15,617	**21,270**	56,193	**13,946**	4,519
Non-current assets	非流動資產	**73**	205	**8,043**	10,007	**59,156**	21,813
Current liabilities	流動負債	**(1,181)**	(259)	**(11,529)**	(25,950)	**(2,320)**	(22,694)
Non-current liabilities	非流動負債	**—**	–	**—**	–	**(648)**	–
Net assets	資產淨值	**1,416**	15,563	**17,784**	40,250	**70,134**	3,638
Revenue	收入	**4,961**	7,956	**3,649**	50,255	**5,488**	13,188
Total expenses	開支總額	**(5,103)**	(12,759)	**(26,267)**	(29,910)	**(10,520)**	(24,397)
(Loss)/Profit before tax	除税前(虧損)/溢利	**(142)**	(4,803)	**(22,618)**	20,345	**(5,032)**	(11,209)
Income tax expense	所得税開支	**—**	–	**—**	–	**—**	–
(Loss)/Profit for the year	年內(虧損)/溢利	**(142)**	(4,803)	**(22,618)**	20,345	**(5,032)**	(11,209)
Proportion of ownership interests held by Group	本集團持有擁有權權益比例	**35.0%**	35.0%	**40.6%**	40.6%	**25.0%**	18.0%
Share of (loss)/profit by the Group	本集團分佔(虧損)/溢利	**(50)**	(1,681)	**(9,183)**	8,260	**(1,258)**	(2,018)

16. INTERESTS IN ASSOCIATES (Continued)

16. 於聯營公司的權益(續)

A reconciliation of the above summarised financial information to the carrying amount of each of the investments in associate is set out below:

上文概述的財務資料與各項於聯營公司的投資的賬面值對賬載列如下：

		Beijing Weichu 北京微觸		Tianjin Zhongqi Weiye 天津中棋惟業		Esports Arena	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	**2018 二零一八年 RMB'000 人民幣千元**	2017 二零一七年 RMB'000 人民幣千元	**2018 二零一八年 RMB'000 人民幣千元**	2017 二零一七年 RMB'000 人民幣千元
Net assets of the associate	聯營公司之資產淨值	**1,416**	15,563	**17,784**	40,250	**70,134**	3,638
Proportion of ownership interests held by Group	本集團持有擁有權權益比例	**35.0%**	35.0%	**40.6%**	40.6%	**25.0%**	18.0%
Goodwill	商譽	**27,424**	27,424	**—**	—	**—**	10,895
Provision of impairment loss	減值虧損撥備	**(27,424)**	—	**(7,220)**	—	**—**	—
Carrying amount of the interest in associates in the consolidated financial statements	於綜合財務報表內之聯營公司權益之賬面值	**496**	32,871	**—**	16,342	**17,534**	11,550

Aggregate information of associates that are not individually material:

並非個別重大的聯營公司的總額資料：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	於綜合財務報表內並非個別重大之聯營公司之賬面值總額	**2,556**	42,152
Aggregate amounts of the Group's share of those associates:	本集團應佔該等聯營公司下列各項之總額：		
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	**(6,171)**	(9,115)

17. INVENTORIES

17. 存貨

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Finished goods	製成品	**733**	1,235

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	**貿易應收款項**	(a)		
From third parties	應收第三方款項		**75,424**	215,356
Less: ECL allowance/loss allowance	減：預期信貸虧損撥備／虧損撥備		**(44,041)**	(10,133)
			31,383	205,223
Other receivables	**其他應收款項**	(b)		
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		**104,310**	143,575
Advances to employees	向僱員作出的墊款		**21,175**	25,872
Loan to a director of the Company	給予本公司一名董事貸款		**4,381**	–
Amounts due from associates	應收聯營公司款項		**26,683**	28,730
Compensation receivable for profit guarantee of Beijing Zhangzhong Qiji (note 34(c))	就北京掌中奇跡溢利擔保應收的賠償(附註34(c))		**18,426**	–
			174,975	198,177
Less: ECL allowance/loss allowance	減：預期信貸虧損撥備／虧損撥備		**(32,083)**	(1,000)
			142,892	197,177
			174,275	402,400

The directors of the Group considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

本集團董事認為貿易及其他應收款項的公允值與其賬面值並無重大差異，此乃由於該等金額於產生後短期內到期。

18. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

The credit terms of trade receivables are usually 30 to 90 days. Ageing analysis based on recognition date of the gross trade receivables at the reporting dates is as follows:

18. 貿易及其他應收款項(續)

(a) 貿易應收款項

貿易應收款項的信貸期通常為30至90日。於報告日期根據貿易應收款項總額的確認日期的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
0–30 days	0至30日	**9,026**	71,976
31–60 days	31至60日	**2,873**	26,273
61–90 days	61至90日	**417**	6,424
91–180 days	91至180日	**3,548**	34,547
181–365 days	181至365日	**17,156**	6,545
Over 1 year	超過1年	**42,404**	69,591
		75,424	215,356

The movement in the ECL allowance is as follows:

預期信貸虧損撥備變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At the beginning of the year as originally presented	於年初(如原本呈列)	**10,133**	10,133
Amounts restated through opening retained earnings (Note 3)	透過期初保留盈利重列的金額(附註3)	**7,345**	—
Adjusted balance at the beginning of the year under IFRS 9	根據國際財務報告準則第9號於年初的經調整結餘	**17,478**	10,133
ECL allowance recognised	已確認預期信貸虧損撥備	**26,563**	—
At the end of the year	於年末	**44,041**	10,133

18. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

The Group applies simplified approach to provide for expected credit losses prescribed in IFRS 9 as disclosed in Note 3. Provision for ECL have been included in "Impairment of assets" in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2018, 39.8% (2017: 32%) of trade receivables are due from three (2017: three) major distribution channels and payment vendors in cooperation with the Group's online card and board games business.

(b) Other receivables

Advances to employees mainly represent advances for various expenses to be incurred in the ordinary course of business. These advances are unsecured, interest-free and repayable on demand.

During the year ended 31 December 2018, impairment losses on amount due from associates of RMB26,138,000 (note 40) was recognised in "Impairment of assets" (2017: Nil).

During the year ended 31 December 2018, impairment losses on other receivables, other than amount due from associates, of RMB4,945,000 (note 40) was recognised in "Impairment of assets" (2017: Nil).

18. 貿易及其他應收款項(續)

(a) 貿易應收款項(續)

誠如附註3所披露，本集團應用簡化法就國際財務報告準則第9號所訂明的預期信貸虧損計提撥備。預期信貸虧損撥備已計入綜合損益及其他全面收益表的「資產減值」。

於二零一八年十二月三十一日，39.8%(二零一七年：32%)的貿易應收款項乃應收自三家(二零一七年：三家)與本集團有在線棋牌遊戲業務合作的主要分銷渠道及支付供應商。

(b) 其他應收款項

向僱員作出的墊款主要指於日常業務過程中所產生多種開支的墊款。該等墊款為無抵押、免息且須按要求償還。

截至二零一八年十二月三十一日止年度，應收聯營公司款項之減值虧損人民幣26,138,000元(附註40)已於「資產減值」內確認(二零一七年：無)。

截至二零一八年十二月三十一日止年度，其他應收款項的減值虧損人民幣4,945,000元(應付聯營公司款項除外)(附註40)已於「資產減值」內確認(二零一七年：無)。

19. LOANS TO ASSOCIATES AND THIRD PARTIES

19. 給予聯營公司及第三方之貸款

(a) Loans to associates

(a) 給予聯營公司之貸款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current portion	**非即期部分**		
Loans	貸款	**—**	21,979
Interest receivables	應收利息	**—**	—
		—	21,979
Current portion	**即期部分**		
Loans	貸款	**1,600**	6,800
Interest receivables	應收利息	**156**	332
		1,756	7,132
		1,756	29,111

As at 31 December 2018, the loan to an associate of RMB1,600,000 are secured by unlisted equity interest in an investment of that associate incorporated in the PRC, interest-bearing at 4.8% per annum and repayable within one year.

於二零一八年十二月三十一日，給予聯營公司之貸款人民幣1,600,000元由在中國註冊成立之聯營公司投資的非上市股權擔保，按年利率4.8%計息，並須於一年內償還。

During the year ended 31 December 2018, an impairment loss of RMB9,241,000 (note 40) was recognised in "Impairment of assets" (2017: Nil).

截至二零一八年十二月三十一日止年度，已於「資產減值」確認減值虧損人民幣9,241,000元(附註40)(二零一七年：無)。

19. LOANS TO ASSOCIATES AND THIRD PARTIES (Continued)

19. 給予聯營公司及第三方之貸款(續)

(b) Loans to third parties

(b) 給予第三方之貸款

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current portion	**非即期部分**			
Loans	貸款		**14,943**	13,890
Interest receivables	應收利息		**167**	540
		(a)	**15,110**	14,430
Current portion	**即期部分**			
Loans	貸款		**54,398**	46,000
Interest receivables	應收利息		**2,576**	12,735
		(b)	**56,974**	58,735
		(c)	**72,084**	73,165

(a) As at 31 December 2018, long-terms loans amounting to RMB14,943,000 are secured by unlisted equity interest in companies of the debtors incorporated in the PRC, of which RMB4,000,000 were with interest rate at 4.75% per annum and RMB10,943,000 were interest-free. They were repayable in 2021.

As at 31 December 2017, long-terms loans amounting to RMB13,890,000 are secured by unlisted equity interest in companies of the debtors incorporated in the PRC with interest rate at ranging from 4.75% to 12% per annum. They were repayable in 2019.

(a) 於二零一八年十二月三十一日，長期貸款人民幣14,943,000元由於中國註冊成立的債務人公司之非上市股權擔保，其中人民幣4,000,000元按年利率4.75%計息，而人民幣10,943,000元為免息。該等貸款須於二零二一年償還。

於二零一七年十二月三十一日，長期貸款人民幣13,890,000元由於中國註冊成立的債務人公司之非上市股權擔保，按年利率介乎4.75%至12%計息。該等貸款須於二零一九年償還。

19. LOANS TO ASSOCIATES AND THIRD PARTIES (Continued)

(b) Loans to third parties (Continued)

(b) As at 31 December 2018, the loans to third parties of RMB54,398,000 become due within next 12 months and are included in current portion. The amount comprises of:

(i) RMB49,475,000 loan secured by a personal guarantee of Ms. Fu Qiang, a non-executive director of the Company, with interest rate of 5.5% per annum;

(ii) RMB3,000,000 loan secured by unlisted equity interest in company of the debtor incorporated in the PRC with interest rate of 12% (2017: 12%) per annum; and

(iii) RMB1,923,000 unsecured loan being interest-free.

As at 31 December 2017, the loans to third parties of RMB46,000,000 become due within next 12 months and are included in current portion. The amount comprises of:

(i) RMB40,000,000 loan secured by unlisted equity interest in company of the debtor incorporated in the PRC with interest rate of 12% per annum;

(ii) RMB5,000,000 unsecured loan with interest rate of 4.35% per annum; and

(iii) RMB1,000,000 unsecured loan being interest-free.

The carrying amount of the amounts due approximate their fair values.

(c) During the year ended 31 December 2018, an impairment loss of RMB5,218,000 (note 40) was recognised in "Impairment of assets" (2017: Nil).

19. 給予聯營公司及第三方之貸款(續)

(b) 給予第三方之貸款(續)

(b) 於二零一八年十二月三十一日，給予第三方之貸款人民幣54,398,000元將於未來十二個月內到期且計入即期部分。該款項包括：

(i) 人民幣49,475,000元的貸款由本公司一名非執行董事傅強女士提供的個人擔保抵押，按年利率5.5%計息；

(ii) 人民幣3,000,000元的貸款由於中國註冊成立的債務人公司之非上市股權擔保，按年利率12%(二零一七年：12%)計息；及

(iii) 人民幣1,923,000元的無抵押貸款為免息。

於二零一七年十二月三十一日，給予第三方的貸款人民幣46,000,000元將於未來十二個月內到期，並計入即期部分。該款項包括：

(i) 人民幣40,000,000元的貸款由於中國註冊成立的債務人公司之非上市股權擔保，按年利率12%計息；

(ii) 人民幣5,000,000元的無抵押貸款按年利率4.35%計息；及

(iii) 人民幣1,000,000元的無抵押貸款為免息。

到期款項的賬面值與其公允值相若。

(c) 於截至二零一八年十二月三十一日止年度，已於「資產減值」確認減值虧損人民幣5,218,000元(附註40)(二零一七年：無)。

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE FINANCIAL ASSETS

20. 按公允值計入損益的金融資產／可供出售金融資產

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Included in non-current assets	**計入非流動資產**		
Unlisted equity investments	非上市股本投資	**95,782**	154,344
Unlisted debt investments	非上市債務投資	**13,286**	—
		109,068	154,344
Included in current assets	**計入流動資產**		
Unlisted trust funds	非上市信託基金	**—**	20,000
		109,068	174,344

The fair value of the Group's investments have been measured as described in note 37(g).

誠如附註37(g)所述，本集團投資的公允值已計量。

21. BANK BALANCES AND CASH

21. 銀行結餘及現金

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	**135,809**	187,110
Restricted bank balances	受限制銀行結餘	**—**	52,410
Term deposits with banks	定期銀行存款	**26,865**	7,846
Bank balances and cash per the consolidated statement of financial position	綜合財務狀況表中銀行結餘及現金	**162,674**	247,366
Less: Restricted bank balances	減：受限制銀行結餘	**—**	(52,410)
Less: Term deposits with banks over 3 months	減：於銀行存放超過3個月的定期存款	**(6,863)**	—
Cash and cash equivalents per the consolidated statement of cash flows	綜合現金流量表中現金及現金等價物	**155,811**	194,956

Included in bank balances and cash of the Group is RMB75,922,000 (2017: RMB95,417,000) of bank balances denominated in Renminbi ("RMB") placed with banks in the PRC. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. As of 31 December 2018 and 2017, other than the restriction from exchange control regulations, there is no significant restriction on the Group.

本集團的銀行結餘及現金包括存放於中國的銀行以人民幣(「人民幣」)計值之人民幣75,922,000元(二零一七年：人民幣95,417,000元)的銀行結餘。人民幣兑換外幣受到中國政府頒佈的外匯管制條例及規章的規管。截至二零一八年及二零一七年十二月三十一日，除受到外匯管制條例的限制外，本集團並無遭遇任何重大限制。

22. TRADE AND OTHER PAYABLES

22. 貿易及其他應付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	**貿易應付款項**		
To third parties	應付第三方	**14,159**	33,404
To an associate	應付一間聯營公司	**5**	1,293
		14,164	34,697
Other payables	**其他應付款項**		
Receipts in advance	預收款項	**—**	231
Other payables and accrued charges	其他應付款項及應計費用	**24,617**	40,042
Amount due to an associate	應付一間聯營公司款項	**840**	—
Other tax liabilities	其他稅項負債	**—**	4,873
Staff costs and welfare accruals	應計員工成本及福利	**7,007**	7,675
Accrued interests on convertible notes	應計可換股票據利息	**1,828**	—
Consideration payable for profit guarantee in relation to the acquisition of Nanjing Haoyun	就有關收購南京好運的溢利擔保應付代價	**46,202**	—
Consideration payable for profit guarantee and further acquisition option in relation to the disposal of Tianjin Zhongqi Weiye	就有關出售天津中棋惟業的溢利擔保及進一步收購期權應付代價	**889**	—
		81,383	52,821
		95,547	87,518

All amounts are short-term and hence the carrying values of trade and other payables as at 31 December 2018 and 2017 were considered to be a reasonable approximation of their fair values.

The credit terms granted to the Group are usually 30 to 90 days.

所有金額屬短期款項，於二零一八年及二零一七年十二月三十一日的貿易及其他應付款項的賬面值因而被視為其公允值的合理約數。

本集團獲授的信貸期通常為30至90日。

22. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of trade payables to third parties based on recognition date is as follows:

22. 貿易及其他應付款項(續)

應付第三方的貿易應付款項按確認日期的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
0—30 days	0至30日	**10,470**	15,278
31—60 days	31至60日	**510**	6,401
61—90 days	61至90日	**579**	576
91—180 days	91至180日	**323**	1,895
181—365 days	181至365日	**1,608**	5,142
Over 1 year	超過一年	**669**	4,112
		14,159	33,404

23. DEFERRED REVENUE

23. 遞延收入

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contract liabilities arising from billing in advance of performance	履約前付款所產生的合約負債	**26,419**	18,852

Deferred revenue represented service fees prepaid by the game players for the Group's online games in the forms of prepaid game cards, virtual currencies and virtual goods, for which the related services had not been rendered at the reporting dates.

When the Group receives in advance before the services rendered, this will give rise to contract liabilities at the start of a contract until the revenue recognised for the services exceeds the amount of the receipt in advance.

The amount of contract liabilities of RMB18,852,000 at the beginning of the year has been recognised as revenue during the year ended 31 December 2018.

遞延收入指本集團線上遊戲的遊戲玩家以預付遊戲卡、虛擬貨幣及虛擬物品的形式預付的服務費，而本集團於報告日期尚未提供相關服務。

當本集團於提供服務前預先收取款項，此舉將於合約開始時產生合約負債，直至就服務確認的收入超逾預收款項金額為止。

截至二零一八年十二月三十一日止年度，於年初產生的合約負債人民幣18,852,000元已確認為收入。

24. OTHER NON-CURRENT RECEIVABLE/ PAYABLE

24. 其他非流動應收款項／應付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current receivable	**非流動應收款項**		
Current portion	即期部分	—	38,872
Non-current portion	非即期部分	—	256
		—	39,128
Non-current payable	**非流動應付款項**		
Current portion	即期部分	—	38,872
Non-current portion	非即期部分	—	256
		—	39,128

In 2015, the Group has acquired the non-current receivable and payable through the acquisition of Peerless Group. Other non-current payable represents a contingent consideration payable to a third party by Peerless and a subsidiary of bwin.party digital entertainment plc ("bwin.party") for the then acquisition of the WPT brand in 2009 and subsequent buy-out in 2012 of the contingent revenue share element. Subject to certain conditions, including subsequent changes in legislation in the US, the maximum aggregate contingent consideration payable by Peerless Group and bwin.party's subsidiary amounted to US$6,500,000 (equivalent to approximately RMB42,208,000).

於二零一五年，本集團通過收購Peerless集團獲得非流動應收款項及應付款項。其他非流動應付款項指Peerless及bwin.party digital entertainment plc(「bwin.party」)一間附屬公司應付第三方於二零零九年當時收購WPT品牌及隨後於二零一二年收購其或然收入股份部分之或然代價。根據若干條件(包括美國法律的隨後變動)，Peerless集團及bwin.party的附屬公司應付或然代價合共最高為6,500,000美元(相當於約人民幣42,208,000元)。

24. OTHER NON-CURRENT RECEIVABLE/ PAYABLE (Continued)

As at 31 December 2017, other non-current payable represents the directors' current best estimate of the amount payable which they consider is likely to be paid within and after twelve months from the reporting date, after the effects of discounting at the effective interest rate of 10.3%. The directors of the Group consider that the fair values are not materially different from their carrying amounts. As at 31 December 2017, there has been no change in the amount recognised since its acquisition (except for unwinding of the discount and exchange differences of approximately RMB2,351,000 and RMB2,267,000 respectively) and the non-discounted book value for the contingent consideration amounted to approximately US$6,119,000 (equivalent to approximately RMB39,983,000).

Pursuant to the relevant share purchase agreement, the selling shareholder of Peerless Group (the "Seller") and bwin.party (the "Seller's Guarantor") had contractually agreed to indemnify the Group against any loss and undertake the repayment of all liabilities in connection with the contingent consideration payable as detailed above. In this respect, the Group has recognised an indemnification asset as other non-current receivable at an amount equivalent to the fair value of the indemnified liability.

On 21 August 2018, the parties entered into a settlement agreement and the liabilities of the contingent consideration were released.

24. 其他非流動應收款項／應付款項(續)

於二零一七年十二月三十一日，其他非流動應付款項指董事對其認為自報告日期起十二個月內及之後可獲支付且考慮按10.3%實際利率貼現之貼現影響後對應付款項的當前最佳估計。本集團董事認為有關公允值與其賬面值之間並無重大差異。於二零一七年十二月三十一日，收購後已確認之金額(不包括解除貼現及匯兑差額分別約人民幣2,351,000元及人民幣2,267,000元)並無變動，而或然代價未貼現賬面值約為6,119,000美元(相當於約人民幣39,983,000元)。

根據相關股份購買協議，Peerless集團之售股股東(「賣方」)與bwin.party(「賣方擔保人」)已就上文所詳述的應付或然代價，同意按合約賠償本集團承擔的任何損失及償還所有負債。就此而言，本集團已按相等於補償負債之公允值金額確認補償資產為其他非流動應收款項。

於二零一八年八月二十一日，訂約方訂立和解協議，解除或然代價下的負債。

25. CONTINGENT CONSIDERATION PAYABLE 25. 應付或然代價

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contingent consideration payable for profit guarantee and further acquisition option in relation to the acquisition of Tianjin Zhongqi Weiye (note 16)	收購天津中棋惟業相關溢利擔保及進一步收購期權之應付或然代價(附註16)	—	2,422
Contingent consideration payable for profit guarantee in relation to the acquisition of Beijing Zhangzhong Qiji (note 34)	收購北京掌中奇跡相關溢利擔保之應付或然代價(附註34)	—	906
Contingent consideration payable for profit guarantee in relation to the acquisition of Nanjing Haoyun (note 34)	收購南京好運相關溢利擔保之應付或然代價(附註34)	**40,948**	—
		40,948	3,328

The movements during the year were as follows: 年內變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
As at 1 January	於一月一日	**3,328**	18,889
Fair value of contingent consideration payables arising from acquisition of subsidiaries (Note 34(a) and note 34(c))	收購附屬公司產生的應付或然代價公允值(附註34(a)及附註34(c))	**113,150**	906
Release upon settlement	結算時解除	**—**	(12,016)
Fair value of contingent consideration payables arising from disposal of an associate (Note 16(b))	處置聯營公司產生的應付或然代價公允值(附註16(b))	**—**	2,422
Transfers to other receivables (Note 18)	轉撥至其他應收款項(附註18)	**18,426**	—
Transfers to other payables (Note 22)	轉撥至其他應付款項(附註22)	**(48,624)**	—
Fair value changes recognised for the year	年內確認的公允值變動	**(45,332)**	(6,873)
As at 31 December	於十二月三十一日	**40,948**	3,328
Analysed as:	分析為：		
— Current liabilities	— 流動負債	**40,948**	3,328

26. CONVERTIBLE NOTES

Convertible Notes issued in 2018

On 11 October 2018, the Company issued convertible notes with an aggregate principal amount of US$10,000,000 (equivalent to RMB68,632,000) (the "2018 Convertible Notes"). The 2018 Convertible Notes carry interest at 12% per annum, payable annually in arrears. The 2018 Convertible Notes will mature in 12 months and the Company shall redeem at 100% of the principal amount on the maturity date.

The noteholders shall have the right to convert the 2018 Convertible Notes into equity securities of either (i) each of Allied Esports and Noble Link, or (ii) a holding company incorporated to hold the Group's interests in Allied Esports and Noble Link ("AESWPT Holdco"), in each case in the event of a qualified financing. Upon exercise of the conversion right attached to the 2018 Convertible Notes in full, the noteholders will receive up to 10% of the outstanding equity securities of (i) each of Allied Esports and Noble Link or (ii) AESWPT Holdco immediately prior to the closing of a qualified financing (assuming full conversion or exercise of any convertible and exercisable securities then outstanding other than the 2018 Convertible Notes). The 2018 Convertible Notes were accounted for as financial liabilities at fair value through profit or loss.

The movements of 2018 Convertible Notes during the year are as follows:

26. 可換股票據

於二零一八年發行之可換股票據

於二零一八年十月十一日，本公司發行本金額合共10,000,000美元(相當於人民幣68,632,000元)之可換股票據(「二零一八年可換股票據」)。二零一八年可換股票據按年利率12%計息，須於每年後繳付。二零一八年可換股票據將於十二個月內到期，而本公司將於到期日按本金額的100%贖回。

票據持有人有權將二零一八年可換股票據轉換為(i)聯盟電競及Noble Link各自或(ii)為持有本集團於聯盟電競及Noble Link的權益而註冊成立的控股公司(「AESWPT控股公司」)的股本證券，而在各情況下倘發生合資格融資之事件時可轉換。待二零一八年可換股票據附帶的轉換權獲悉數行使後，則票據持有人將收取最多(i)聯盟電競及Noble Link各自或(ii)AESWPT控股公司緊接發生合資格融資交割前(假設當時已發行的任何可轉換及可行使證券已獲悉數轉換及行使，二零一八年可換股票據除外)已發行股本證券的10%。二零一八年可換股票據入賬為按公允值計入損益的金融負債。

二零一八年可換股票據於年內之變動如下：

		Total 合計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	—
Issue of 2018 Convertible Notes	發行二零一八年可換股票據	68,632
Fair value changes of 2018 Convertible Notes	二零一八年可換股票據之公允值變動	1,691
At 31 December 2018	於二零一八年十二月三十一日	70,323

26. CONVERTIBLE NOTES (Continued)

Convertible Notes issued in 2017

On 28 July 2017, the Company issued convertible notes with an aggregate principal amount of RMB104,076,000 (equivalent to HK$120,000,000 based on the fixed exchange rate of RMB1:HK$1.153 (the "Fixed Exchange Rate") as stated in the subscription agreement) (the "2017 Convertible Notes"). The 2017 Convertible Notes carry interest at 6% per annum, payable quarterly in arrears and all interest payments shall be in HK$ based on the Fixed Exchange Rate. The 2017 Convertible Notes will mature in 30 months and the Company shall redeem at 100% of the principal amount on the maturity date. The noteholder shall have the right to convert the 2017 Convertible Notes into ordinary shares of the Company at the conversion price of RMB2.312 per share (equivalent to HK$2.666 per share based on Fixed Exchange Rate) (the "Initial Conversion Price"). The Initial Conversion Price shall be adjusted to equal to the new issue price if the Company issues ordinary shares at a price that is lower than the Initial Conversion Price. The number of ordinary shares to be issued upon conversion at Initial Conversion Price would be 45,011,252 shares.

On 28 December 2017, the noteholder exercised the conversion rights and the 2017 Convertible Notes were converted in full into ordinary shares of the Company. The Initial Conversion Price was adjusted to HK$1.85 per share and the number of ordinary shares issued upon conversion was 64,864,864 shares (note 28).

The movements of 2017 Convertible Notes during the year is as follows:

26. 可換股票據(續)

於二零一七年發行之可換股票據

於二零一七年七月二十八日，本公司發行合共本金額為人民幣104,076,000元(按認購協議所述之固定匯率人民幣1元兑1.153港元(「固定匯率」)計算，相當於120,000,000港元)的可換股票據(「二零一七年可換股票據」)。二零一七年可換股票據按年利率6%計息，按季度後付，且所有利息須以港元支付(按固定匯率計算)。二零一七年可換股票據將於三十個月內到期，本公司將於到期日按本金額的100%贖回。票據持有人有權按每股人民幣2.312元(按固定匯率計算，相當於每股2.666港元)的轉換價(「初步轉換價」)將二零一七年可換股票據轉換為本公司普通股。倘本公司發行普通股的價格低於初步轉換價，則初步轉換價應調整至相等於新發行價。按初步轉換價轉換後將予發行之普通股數量會為45,011,252股。

於二零一七年十二月二十八日，票據持有人行使轉換權，二零一七年可換股票據悉數轉換為本公司普通股。初步轉換價調整至每股1.85港元，而轉換後已發行的普通股數量為64,864,864股(附註28)。

二零一七年可換股票據於年內之變動如下：

		Liability component 負債部分 RMB'000 人民幣千元	Equity component 權益部分 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	–	–	–
Issue of 2017 Convertible Notes	發行二零一七年可換股票據	103,381	695	104,076
Interest expense (note 7)	利息開支(附註7)	2,775	–	2,775
Payment of interest expense	利息開支付款	(2,775)	–	(2,775)
Exchange differences	匯兑差額	195	–	195
Conversion of 2017 Convertible Notes	轉換二零一七年可換股票據	(103,576)	(695)	(104,271)
At 31 December 2017	於二零一七年十二月三十一日	–	–	–

The liability component represented the debt component of the 2017 Convertible Notes and was initially recognised at fair value.

負債部分指二零一七年可換股票據之債務部分，按公允值初步確認。

27. DEFERRED TAXATION

The analysis of deferred tax assets and deferred tax liabilities is as follows:

27. 遞延稅項

遞延稅項資產與延遲稅項負債分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	**(1,726)**	(1,726)
Deferred tax liabilities	遞延稅項負債	**33,419**	4,181
		31,693	2,455

The gross movement of deferred income tax account is as follows:

遞延所得稅賬的變動總額如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	**2,455**	4,352
Acquisition of a subsidiary (Note 34(a))	收購附屬公司(附註34(a))	**43,578**	93
Recognised in profit or loss (Note 8)	於損益中確認(附註8)	**(14,501)**	(1,699)
Exchange differences	匯兑差額	**161**	(291)
At 31 December	於十二月三十一日	**31,693**	2,455

27. DEFERRED TAXATION (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities

27. 遞延稅項(續)

於年內遞延所得稅資產及負債的變動(未計及與同一稅務司法管轄區內的結餘抵銷)如下:

遞延稅項負債

		Fair value adjustment on business combination 業務合併公允值調整 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	6,078
Acquisition of a subsidiary (Note 34(c))	收購一間附屬公司(附註34(c))	93
Recognised in profit or loss	於損益中確認	(1,699)
Exchange differences	匯兑差額	(291)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	4,181
Acquisition of a subsidiary (Note 34(a))	收購一間附屬公司(附註34(a))	43,578
Recognised in profit or loss	於損益中確認	(14,501)
Exchange differences	匯兑差額	161
At 31 December 2018	**於二零一八年十二月三十一日**	33,419

Deferred tax assets

遞延稅項資產

		Provision for impairment of receivables 應收款項減值撥備 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	1,113	613	1,726
Recognised in profit or loss	於損益中確認	—	—	—
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,113	613	1,726
Recognised in profit or loss	於損益中確認	—	—	—
At 31 December 2018	**於二零一八年十二月三十一日**	1,113	613	1,726

27. DEFERRED TAXATION (Continued)

As at 31 December 2018, no deferred tax liability had been provided for the PRC withholding tax that would be payable on the unremitted earnings of approximately RMB281,298,000 (2017: RMB463,496,000). Such earnings are expected to be retained by the PRC subsidiaries to operate and expand its business in the PRC and not to be remitted to a foreign investor in the foreseeable future.

Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2018, the Group has unrecognised tax losses of approximately RMB283,161,000 (2017: RMB116,525,000) to carry forward against future taxable income. These tax losses do not expire under current legislation except losses of approximately RMB231,941,000 (2017: RMB65,305,000) that may be carried forward for 5 years from the year of incurring the loss.

27. 遞延稅項(續)

於二零一八年十二月三十一日，並無就未匯出盈利約人民幣281,298,000元(二零一七年：人民幣463,496,000元)須繳納的中國預扣稅計提任何遞延稅項負債。有關盈利預期將由中國附屬公司保留以經營及擴張其於中國的業務，並於可見未來不會匯予外國投資者。

已就結轉的稅項虧損確認遞延所得稅資產，惟僅以有關稅項收益可能透過日後的應課稅溢利變現者為限。於二零一八年十二月三十一日，本集團可透過結轉抵銷日後應課稅收入的未確認稅項虧損約為人民幣283,161,000元(二零一七年：人民幣116,525,000元)。除自產生虧損年度起可結轉五年之虧損約人民幣231,941,000元(二零一七年：人民幣65,305,000元)外，根據目前法規，該等稅項虧損尚未屆滿。

28. SHARE CAPITAL

28. 股本

The movements in the share capital of the Company are as follows:

本公司股本變動如下：

		Notes 附註	Number of shares 股份數目	Nominal value of shares 股份面值 US$'000 千美元	Equivalent nominal value of shares 股份的等值面額 RMB'000 人民幣千元
Authorised:	**法定：**				
Ordinary shares:	*普通股：*				
At 31 December 2017 and 2018	於二零一七年及二零一八年十二月三十一日		10,000,000,000	500	
Issued and fully paid:	**已發行及繳足：**				
Ordinary shares:	*普通股：*				
At 1 January 2017	於二零一七年一月一日		786,793,374	39	240
Exercise of share options	行使購股權	(i)	130,000	1	—
Conversion of 2017 Convertible Notes into shares	二零一七年可換股票據轉換為股份	(ii)	64,864,864	3	22
Issuance of new shares	發行新股份	(iii)	71,351,351	4	23
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日		923,139,589	47	285
Exercise of share options	行使購股權	(iv)	780,261	—	—
Issuance of new shares for management subscription	就管理層認購事項發行新股份	(v)	153,880,037	8	50
Issuance of new shares for acquisition	就收購事項發行新股份	(vi)	15,555,556	1	5
At 31 December 2018	**於二零一八年十二月三十一日**		1,093,355,443	56	340

28. SHARE CAPITAL (Continued)

Notes:

(i) Exercise of share options

During the year ended 31 December 2017, options were exercised to subscribe for 130,000 of the Company at a consideration of approximately RMB314,000, of which RMB31 was credited to share capital and the balance of approximately RMB314,000 was credited to the share premium account. As a result of the exercise of options, RMB91,000 has been transferred from the share option reserve to the share premium account.

(ii) Conversion of 2017 Convertible Notes into shares

On 28 December 2017, 64,864,864 shares were issued upon conversion of the 2017 Convertible Notes (note 26).

(iii) Issuance of new shares

On 28 December 2017, the Company issued 71,351,351 ordinary shares to an independent subscriber, Noumena Innovations (BVI) LTD. at an issue price of HK$1.85 per share. The proceeds were approximately RMB110,526,000 (equivalent to HK$132,000,000). The proceeds are intended to be used for further developing the eSports business and the WPT business, revamping and updating the Group's core mobile product portfolio, acquiring and/or developing China regional card and board games platforms and replenishing working capital.

(iv) Exercise of share options

During the year ended 31 December 2018, 780,261 options were exercised to subscribe for 780,261 ordinary shares of the Company at a consideration of approximately RMB2,221,000, of which RMB250 was credited to share capital and the balance of approximately RMB2,221,000 was credited to the share premium account. As a result of the exercise of options, RMB474,000 has been transferred from the share option reserve to the share premium account.

28. 股本(續)

附註：

(i) 行使購股權

於截至二零一七年十二月三十一日止年度，已行使購股權認購本公司130,000股普通股，代價為約人民幣314,000元，其中人民幣31元計入股本及約人民幣314,000元結餘計入股份溢價賬。由於行使購股權，人民幣91,000元已自購股權儲備轉撥至股份溢價賬。

(ii) 二零一七年可換股票據轉換為股份

於二零一七年十二月二十八日，本公司於轉換二零一七年可換股票據後發行64,864,864股股份(附註26)。

(iii) 發行新股份

於二零一七年十二月二十八日，本公司按每股1.85港元的發行價向一名獨立認購人(Noumena Innovations (BVI) LTD.)發行71,351,351股股份。所得款項為約人民幣110,526,000元(相當於132,000,000港元)。該所得款項擬用於進一步發展電競業務及WPT業務、改進及升級本集團的核心移動產品組合、收購及／或開發中國地區棋牌遊戲平台及補充運營資金。

(iv) 行使購股權

於截至二零一八年十二月三十一日止年度，780,261份購股權獲行使以認購本公司780,261股普通股，代價為約人民幣2,221,000元，其中人民幣250元計入股本，結餘約人民幣2,221,000元計入股份溢價賬。由於行使購股權，人民幣474,000元已由購股權儲備轉撥至股份溢價賬。

28. SHARE CAPITAL (Continued)

Notes: (Continued)

(v) Issuance of new shares for management subscription

On 4 January 2018, the Company issued 89,189,189 ordinary shares to a management subscriber, Jian Ying Ourgame High Growth Investment Fund at an issue price of HK$1.85 per share. The proceeds were approximately RMB137,280,000 (equivalent to HK$165,000,000). On the same date, the Company issued 64,690,848 ordinary shares to a connected subscriber, Glassy Mind Holdings Limited at an issue price of HK$1.85 per share. The proceeds were approximately RMB99,572,000 (equivalent to HK$119,678,000). The net proceeds from these management subscriptions were approximately RMB231,574,000. The proceeds are intended to be used for further developing the eSports business and the WPT business, revamping and updating the Group's core mobile product portfolio, acquiring and/or developing China regional card and board games platforms and replenishing working capital.

(vi) Issuance of new shares for acquisition

On 9 February 2018, the Company issued 15,555,556 ordinary shares at an issue price of HK$2.62 (equivalent to approximately RMB2.16) per share as share consideration for the acquisition of the entire equity interest in Nanjing Haoyun Meicheng Electronics Co., Ltd. (Note 34(a)). The closing price of the shares was HK$2.51 (equivalent to approximately RMB2.02) per share on 9 February 2018.

28. 股本(續)

附註:(續)

(v) 就管理層認購事項發行新股份

於二零一八年一月四日,本公司按發行價每股1.85港元向管理認購人(建贏聯眾高成長投資基金)發行89,189,189股普通股。所得款項約為人民幣137,280,000元(相當於165,000,000港元)。於同日,本公司按每股發行價1.85港元向關連認購人(亮智控股有限公司)發行64,690,848股普通股。所得款項約為人民幣99,572,000元(相當於119,678,000港元)。該等管理層認購事項之所得款項淨額約為人民幣231,574,000元。該所得款項擬用於進一步開發電競業務及WPT業務、改進及升級本集團的核心移動產品組合、收購及/或開發中國地區棋牌遊戲平台及補充運營資金。

(vi) 就收購事項發行新股份

於二零一八年二月九日,本公司按發行價每股2.62港元(相當於約人民幣2.16元)發行15,555,556股普通股作為收購南京好運美成電子科技有限公司全部股權的股份代價(附註34(a))。於二零一八年二月九日,股份之收市價為每股2.51港元(相當於約人民幣2.02元)。

29. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the shares of the Company over its par value, less any dividends paid out of the share premium account and any premium paid for the repurchase of shares of the Company.

(b) Statutory reserve

In accordance with the relevant laws and regulations for the Company's subsidiaries incorporated in the PRC, it is required to appropriate 10% of its annual net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of PRC, after offsetting any prior years' losses, to the statutory reserve. When the balance of such a reserve reaches 50% of the registered capital of the respective company, any further appropriation is at the discretion of shareholders. The statutory reserve 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 reserve after such an issue is not less than 25% of registered capital. The statutory reserve is non-distributable.

(c) Share option reserve

Share option reserve represents the fair value of share options granted by the Company to employees recognised and is dealt with in accordance with the accounting policy set out in note 2.22.

(d) Other reserve

Other reserve represent (i) capital reserve arises from capital contribution by the controlling shareholders (including share-based compensation expense arising from the 2014 Blink Milestones Share Options under note 30(a)); and (ii) the difference between the consideration and the carrying amount of the net assets attributable to the additional and reduction of interests in companies comprising the Group being acquired from and disposed to non-controlling equity holders respectively.

29. 儲備

(a) 股份溢價

股份溢價為本公司發行股份的所得款項淨額超出其面值部分，減去任何從股份溢價賬撥付的股息以及本公司購回股份支付的任何溢價。

(b) 法定儲備

根據相關法律法規，本公司於中國註冊成立的附屬公司在抵銷任何過往年度虧損後，須將其按照中國財政部頒佈的中國企業會計準則釐定的年度淨溢利的10%分配至法定儲備。當該儲備結餘達各公司註冊資本的50%，股東可酌情決定任何進一步的分配。法定儲備可用於彌補過往年度虧損(如有)且可通過按股東現有持股比例向股東發行新股份或增加彼等現有所持股份的面值轉成股本，惟儲備剩餘結餘在該等發行後須不少於註冊資本25%。法定儲備不可分派。

(c) 購股權儲備

購股權儲備為已確認本公司授予僱員的購股權之公允值，且根據附註2.22載列的會計政策進行處理。

(d) 其他儲備

其他儲備為(i)控股股東注資所產生的資本儲備(包括附註30(a)所述二零一四年Blink Milestones購股權產生之以股份為基礎的酬金開支)；及(ii)分別自非控股權益持有人購入及向其出售組成本集團成員公司權益增加或減少的應佔資產淨值的代價與賬面值之間的差額。

30. SHARE-BASED COMPENSATION TRANSACTIONS

(a) The 2014 Replacement Share Options issued by Blink Milestones Limited ("Blink Milestones")

In 2014, 12,152,381 share options were granted by Blink Milestones (the "2014 Blink Milestones Share Options") as the replacement of the share awards granted by Beijing Tongshengcheng Investment Management Center (LLP) ("Tongshengcheng") to certain employees of the Group (the "Participants") in 2012. The share options are valid for a period of 10 years from 20 February 2014 to 19 February 2024 with an exercise price of RMB0.2625 per share (subject to adjustment) and are subject to a vesting scale in equal proportions of 25% on every anniversary date of the date of listing of the Company's shares on any internationally recognised stock exchange, starting from the first anniversary date until the fourth, and for the Participants remaining an employee of the Group until and on the relevant vesting dates. Blink Milestones is an investment holding company and owned 12.43% equity interest in the Company at the date of grant. Upon the completion of the capitalisation issue on 30 June 2014, the number of share options and exercise price per share has been adjusted to 25,009,600 options in total, at an exercise price of RMB0.1276 per share, respectively.

30. 以股份為基礎的酬金交易

(a) 於二零一四年Blink Milestones Limited(「Blink Milestones」)發行的購股權置換

於二零一四年，Blink Milestones授出12,152,381份購股權(「二零一四年Blink Milestones購股權」)，以置換北京同盛成投資管理中心(有限合夥)(「同盛成」)於二零一二年向本集團若干僱員(「參與者」)授出的股份獎勵。購股權自二零一四年二月二十日起至二零二四年二月十九日止十年內有效，行使價為每股人民幣0.2625元(可予調整)並於本公司股份在任何國際認可的證券交易所上市日期後之各週年日，自第一個週年日至第四個週年日每年按相等於25%的比例等額歸屬，且參與者須在各相關歸屬日期仍為本集團僱員。Blink Milestones為一間投資控股公司，並於授出日期擁有本公司12.43%的股權。資本化發行於二零一四年六月三十日完成後，購股權數目及每股行使價分別調整為合共25,009,600份購股權，行使價為每股人民幣0.1276元。

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

30. 以股份為基礎的酬金交易(續)

(a) The 2014 Replacement Share Options issued by Blink Milestones Limited ("Blink Milestones") (Continued)

(a) 於二零一四年Blink Milestones Limited(「Blink Milestones」)發行的購股權置換(續)

The Group has no legal or constructive obligation to repurchase or settle the 2014 Blink Milestones Share Options in cash. The 2014 Blink Milestones Share Options entitle participants to obtain existing issued shares in the Company held by Blink Milestones and will not involve the Company issuing any new shares, the 2014 Blink Milestones Share Options were accounted for as a share-based compensation transaction by way of capital contribution from the shareholders.

本集團並無法定或推定責任以現金方式回購或清償二零一四年Blink Milestones購股權。二零一四年Blink Milestones購股權令參與者有權獲得由Blink Milestones持有的本公司現有已發行股份，且將不涉及發行本公司任何新股。二零一四年Blink Milestones購股權通過股東注資的方式入賬為以股份為基礎的酬金交易。

	Exercisable period **行使期**	**Exercise price per share** **每股行使價** RMB 人民幣
Employee **僱員**	20 February 2014 to 19 February 2024 二零一四年二月二十日至二零二四年二月十九日	0.1276

Movements in the number of 2014 Blink Milestones Share Options are as follows:

二零一四年Blink Milestones購股權數目的變動如下：

		Average exercise price in RMB per share option **以人民幣計值之每份購股權之平均行使價** RMB 人民幣	**Number of outstanding share options** **未行使購股權數目**
At 1 January 2017	於二零一七年一月一日		15,229,198
Exercised during the year	年內行使	0.1276	(10,152,798)
At 31 December 2017 and 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日及二零一八年一月一日以及二零一八年十二月三十一日		5,076,400

During the year ended 31 December 2018, there was no movement in number of share options.

截至二零一八年十二月三十一日止年度，購股權數目概無變動。

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(b) Management Pre-IPO Share Option Scheme of the Company in 2014

Pursuant to an unanimous written resolution of the Board on 7 March 2014, a share option scheme ("Management Pre-IPO Share Option Scheme") and respective share options granted by the Company on 20 February 2014 was adopted and ratified by the Board. The Management Pre-IPO Share Option Scheme was adopted for the purpose of providing participants an opportunity to acquire proprietary interests in the Company and help motivate such participants to optimise their performance and efficiency, and also to help retain the participants for the continual growth and development of the Group. The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Management Pre-IPO Share Option Scheme must not in aggregate exceed 6% of the issued share capital of the Company after an IPO, as defined. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the year ended 31 December 2014, share options (in aggregate to purchase 6% of the issued share capital of the Company after an IPO) were granted by the Company on 20 February 2014 to senior management of the Group with estimated total fair value of approximately RMB52,870,000. The exercise price of the share options granted is US$0.34398035 per share (subject to adjustment). The share options are valid for a period of 10 years from 20 February 2014 to 19 February 2024. Twenty five percent of options granted shall vest on the first anniversary of the grant date, and the remaining options granted shall vest on 36 equal monthly instalments with the first instalment vesting upon the 13th monthly anniversary of the grant date and each of the remaining instalments vesting on each monthly anniversary of the 13th monthly anniversary of the grant date, and for the participant continuing to be an employee of the Group or director of the Company until and on the relevant vesting dates. In addition, the share options are only exercisable after the completion of an IPO.

30. 以股份為基礎的酬金交易(續)

(b) 本公司於二零一四年的管理層首次公開發售前購股權計劃

根據董事會於二零一四年三月七日一致通過的書面決議案，董事會已採納且追認由本公司於二零一四年二月二十日授出的一項購股權計劃(「管理層首次公開發售前購股權計劃」)及相應購股權。採納管理層首次公開發售前購股權計劃乃為參與者提供一個收購本公司專有權益之機會，且有助於激勵該等參與者提升彼等的表現及效率，亦有助於挽留該等參與者於本集團持續發展。按規定，根據管理層首次公開發售前購股權計劃已授出但尚未行使的購股權獲悉數行使後將予發行的最高股份數目，合共不得超過本公司於首次公開發售後已發行股本的6%。本集團並無法定或推定責任以現金購回或清償該等購股權。

截至二零一四年十二月三十一日止年度，本公司於二零一四年二月二十日向本集團高級管理層授出的購股權(合計購買本公司於首次公開發售後已發行股本的6%)估計總公允值約為人民幣52,870,000元。已授出購股權的行使價為每股0.34398035美元(可予調整)。購股權為自二零一四年二月二十日至二零二四年二月十九日止十年內有效。已授出購股權的百分之二十五將於授出日期的第一個週年日歸屬，餘下已授出的購股權須於36個月內按月等額分期歸屬，第一個分期歸屬為授出日期的第13個月週年日，而剩餘的購股權在授出日期第13個月週年日後每月分期歸屬，且參與者須於直至有關歸屬日期(包括該日)仍為本集團的僱員或本公司的董事。此外，購股權僅可於首次公開發售完成後行使。

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(b) Management Pre-IPO Share Option Scheme of the Company in 2014 (Continued)

On 30 June 2014, upon the completion of the capitalisation issue and the Listing on the Main Board of the Stock Exchange, the total number of share options granted equate to 50,042,553 share options at an adjusted exercise price of US$0.16714303 per share.

30. 以股份為基礎的酬金交易(續)

(b) 本公司於二零一四年的管理層首次公開發售前購股權計劃(續)

於二零一四年六月三十日，完成資本化發行及於聯交所主板上市後，已按經調整行使價每股0.16714303美元授出的購股權總數為50,042,553份。

	Exercisable period 行使期	Exercise price per share 每股行使價 US$ 美元	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使
Directors **董事**	1 July 2017 to 30 June 2026 二零一七年七月一日至二零二六年六月三十日	0.16714303	41,702,128
Employee **僱員**	20 February 2015 to 19 February 2024 二零一五年二月二十日至二零二四年二月十九日	0.16714303	4,517,801
			46,219,929

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

30. 以股份為基礎的酬金交易(續)

(b) Management Pre-IPO Share Option Scheme of the Company in 2014 (Continued)

(b) 本公司於二零一四年的管理層首次公開發售前購股權計劃(續)

Movements in the number of share options during the year are as follows:

年內購股權數目變動如下：

2018 **二零一八年**

	Exercisable period 行使期	Exercise price per share 每股行使價 US$ 美元	Outstanding as at 1 January 於一月一日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Outstanding as at 31 December 於十二月三十一日尚未行使
Directors **董事**	1 July 2017 to 30 June 2026 二零一七年七月一日至二零二六年六月三十日	**0.16714303**	**41,702,128**	**–**	**–**	**41,702,128**
Employee **僱員**	20 February 2016 to 19 February 2024 二零一六年二月二十日至二零二四年二月十九日	**0.16714303**	**4,517,801**	**–**	**–**	**4,517,801**
			46,219,929	**–**	**–**	**46,219,929**
Weighted average exercise price per share (US$) 每股加權平均行使價(美元)			**0.16714303**			**0.16714303**
– Equivalent to approximately RMB per share – 每股相當於約人民幣			**1.16**			**1.09**
Weighted average remaining contractual life of options outstanding at 31 December 2018 於二零一八年十二月三十一日尚未行使購股權加權平均剩餘合約有效期						**5.1 years** **5.1年**
Number of options exercisable at 31 December 2018 於二零一八年十二月三十一日可行使購股權數目						**46,219,929**
Weighted average exercise price per share of options exercisable at 31 December 2018 (US$) 於二零一八年十二月三十一日可行使購股權之每股加權平均行使價(美元)						**0.16714303**
– Equivalent to approximately RMB per share – 每股相當於約人民幣						**1.09**

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

30. 以股份為基礎的酬金交易(續)

(b) Management Pre-IPO Share Option Scheme of the Company in 2014 (Continued)

(b) 本公司於二零一四年的管理層首次公開發售前購股權計劃(續)

2017 **二零一七年**

	Exercisable period 行使期	Exercise price per share 每股行使價 US$ 美元	Outstanding as at 1 January 於一月一日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Outstanding as at 31 December 於十二月三十一日尚未行使
Directors **董事**	1 July 2017 to 30 June 2026 二零一七年七月一日至二零二六年六月三十日	0.16714303	41,702,128	–	–	41,702,128
Employee **僱員**	20 February 2016 to 19 February 2024 二零一六年二月二十日至二零二四年二月十九日	0.16714303	4,517,801	–	–	4,517,801
			46,219,929	–	–	46,219,929
Weighted average exercise price per share (US$) 每股加權平均行使價(美元)			0.16714303			0.16714303
– Equivalent to approximately RMB per share – 每股相當於約人民幣			1.09			1.09
Weighted average remaining contractual life of options outstanding at 31 December 2017 於二零一七年十二月三十一日尚未行使購股權加權平均剩餘合約有效期						6.1 years 6.1年
Number of options exercisable at 31 December 2017 於二零一七年十二月三十一日可行使購股權數目						46,219,929
Weighted average exercise price per share of options exercisable at 31 December 2017 (US$) 於二零一七年十二月三十一日可行使購股權之每股加權平均行使價(美元)						0.16714303
– Equivalent to approximately RMB per share – 每股相當於約人民幣						1.09

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(b) Management Pre-IPO Share Option Scheme of the Company in 2014 (Continued)

As at 31 December 2018, the Group had 46,219,929 (2017: 46,219,929) share options outstanding under the Management Pre-IPO Share Option Scheme of the Company in 2014, which represented approximately 4.23% (2017: 5.01%) of the issued ordinary shares of the Company as at 31 December 2018.

(c) Share Option Scheme adopted by the Company in November 2014

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 19 November 2014, a share option scheme was adopted by the Company and is valid and effective for a period of ten years from 19 November 2014 (the "2014 Share Option Scheme").

The purpose of the 2014 Share Option Scheme is to provide eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. All directors, full-time employees and any other person who, in the sole discretion of the Board, have contributed or will contribute to the Group are eligible to participate in the 2014 Share Option Scheme. Each grant of options to any director of the Company, the chief executive officer or substantial shareholder of the Company must first be approved by the independent non-executive directors of the Company.

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the 2014 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

30. 以股份為基礎的酬金交易(續)

(b) 本公司於二零一四年的管理層首次公開發售前購股權計劃(續)

於二零一八年十二月三十一日，根據本公司於二零一四年的管理層首次公開發售前購股權計劃，本公司擁有46,219,929份(二零一七年：46,219,929份)尚未行使購股權，佔本公司於二零一八年十二月三十一日已發行普通股的約4.23%(二零一七年：5.01%)。

(c) 本公司於二零一四年十一月採納的購股權計劃

根據本公司於二零一四年十一月十九日舉行之股東特別大會通過的普通決議案，本公司採納一項購股權計劃，自二零一四年十一月十九日起計十年內有效(「二零一四年購股權計劃」)。

二零一四年購股權計劃旨在向合資格參與者提供購入本公司專有權益之機會，並鼓勵參與者為本公司及股東之整體利益努力以提升本公司及其股份之價值。所有曾經或將會對本集團有所貢獻之董事、全職僱員及由董事會酌情決定之任何其他人士均符合資格參與二零一四年購股權計劃。向本公司任何董事、行政總裁或本公司主要股東授予之每一項購股權須首先取得本公司獨立非執行董事之批准。

根據二零一四年購股權計劃及本公司任何其他購股權計劃授出但尚未行使的全部購股權獲行使後將予發行之股份最高數目合共不得超過本公司不時已發行股本之30%。

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(c) Share Option Scheme adopted by the Company in November 2014 (Continued)

Shares which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme or any other share option schemes adopted by the Company must not in aggregate exceed 10% of the shares of the Company in issue on the date of adoption (the "Option Scheme Mandate Limit").

The Option Scheme Mandate Limit may be refreshed at any time by obtaining approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules. However, the refreshed Option Scheme Mandate Limit cannot exceed 10% of the total number of shares of the Company in issue as at the date of such approval.

Unless approved by shareholders of the Company, the total number of shares of the Company issued and to be issued upon the exercise of the options granted to each participant (including both exercised and unexercised options) under the 2014 Share Option Scheme or any other share option schemes adopted by the Company in any 12-month period must not exceed 1% of the issued share capital of the Company.

The period within which the options must be exercised will be specified by the Company at the time of grant. The options may be exercised up to 25% for each year after the first anniversary of the date of grant for four consecutive years.

At the time of grant of the options, the Company may specify a minimum period for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part. The offer of a grant of share options may be accepted within 20 business days from the date of offer, the offer is delivered to that participant and the amount payable on acceptance of options is RMB1.

30. 以股份為基礎的酬金交易(續)

(c) 本公司於二零一四年十一月採納的購股權計劃(續)

根據二零一四年購股權計劃及本公司採納的任何其他購股權計劃授出之全部購股權獲行使後將予發行之股份總數合共不可超過於採納日期本公司已發行股份之10%(「購股權計劃授權上限」)。

購股權計劃授權上限可隨時根據本公司股東於股東大會上之批准及/或上市規則規定之其他要求予以更新。惟經更新購股權計劃授權上限不得超過取得批准當日本公司已發行股份總數之10%。

除非獲本公司股東批准,否則於任何十二個月期間內,就行使根據二零一四年購股權計劃或本公司採納之任何其他購股權計劃授予單一參與者之購股權(包括已行使及尚未行使之購股權)而發行及將予發行之本公司股份總數,不得超過本公司已發行股本之1%。

購股權之行使期限由本公司於授出購股權時列明。購股權可於自授出日期起計第一週年後連續四年每年獲行使最多達25%。

於授出購股權時,本公司可在全部或部分行使購股權前訂明購股權之最短持有期限及/或須達至的任何最低表現目標。參與者可於授出購股權之建議當日起計20個營業日內接納該建議,授出購股權之建議會寄發予參與者,而接納購股權之應付款項為人民幣1元。

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(c) Share Option Scheme adopted by the Company in November 2014 (Continued)

The subscription price for the shares under the 2014 Share Option Scheme shall be a price determined by the Board, but not less than the greater of (i) the closing price of shares as stated on the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

No options may be granted under the 2014 Share Option Scheme after the date of the tenth anniversary of its adoption.

During the year ended 31 December 2018, no share options were granted.

During the year ended 31 December 2017, 1,440,000 options were granted on 28 April 2017 with estimated total fair values of approximately RMB1,541,000. The exercise price of the share options granted is HK$2.886 per share. The share options are valid for a period of 10 years and subject to a vesting scale in equal proportions of 25% on every anniversary date of the date of grant, starting from the first anniversary date until the fourth.

The fair values were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

30. 以股份為基礎的酬金交易(續)

(c) 本公司於二零一四年十一月採納的購股權計劃(續)

根據二零一四年購股權計劃而發行之股份認購價由董事會釐定，但不得低於以下三者之較高金額：(i)股份於授出建議日期在聯交所上所列之收市價；(ii)本公司股份於緊接授出建議日期前五個營業日在聯交所每日報價表上所列之平均收市價；及(iii)股份面值。

於採納二零一四年購股權計劃的十週年後，概不可根據二零一四年購股權計劃授出購股權。

截至二零一八年十二月三十一日止年度，概無授出購股權。

截至二零一七年十二月三十一日止年度，本公司於二零一七年四月二十八日授出1,440,000份購股權，估計公允值總額約為人民幣1,541,000元。所授出購股權的行使價為每股2.886港元。購股權於十年期內有效，且於各授出日期週年日(第一個週年日至第四個週年日)按25%等額歸屬。

公允值使用二項式期權定價模式計算。該模式的輸入數據如下：

		28 April 2017 二零一七年 四月二十八日
Exercise price	行使價	HK$2.886 2.886港元
Expected volatility	預期波動	50%
Expected life	預期有效期	10 years 10年
Risk-free rate	無風險利率	1.48%
Expected dividend yield	預期股息率	—

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

30. 以股份為基礎的酬金交易(續)

(c) Share Option Scheme adopted by the Company in November 2014 (Continued)

(c) 本公司於二零一四年十一月採納的購股權計劃(續)

Movements in the number of share options during the year are as follows:

年內購股權數目之變動如下：

2018 **二零一八年**

	Exercisable period 行使期	Exercise price per share 每股行使價 HK$ 港元	Outstanding as at 1 January 於一月一日 尚未行使	Granted during the year 年內授出	Forfeited during the year 年內沒收	Exercised during the year 年內行使	Outstanding as at 31 December 於十二月三十一日 尚未行使	Exercise date 行使日期	Weighted average share price at exercise date 於行使日期之股份加權平均價 HK$ 港元
Directors **董事**	5 January 2015 to 4 January 2025 二零一五年一月五日至二零二五年一月四日	2.67	23,520,000	–	–	–	23,520,000		
	8 January 2016 to 7 January 2026 二零一六年一月八日至二零二六年一月七日	5.506	7,840,000	–	–	–	7,840,000		
Employees **僱員**	5 January 2015 to 4 January 2025 二零一五年一月五日至二零二五年一月四日	2.67	20,973,500	–	(985,400)	(780,261)	19,207,839	5 January 2018 to 31 January 2018 二零一八年一月五日至二零一八年一月三十一日	2.79
	9 July 2015 to 8 July 2025 二零一五年七月九日至二零二五年七月八日	4.402	21,940,000	–	(6,870,000)	–	15,070,000		
	17 May 2016 to 16 May 2026 二零一六年五月十七日至二零二六年五月十六日	3.684	2,430,000	–	(1,530,000)	–	900,000		
	7 September 2016 to 6 September 2026 二零一六年九月七日至二零二六年九月六日	3.95	1,850,000	–	(610,000)	–	1,240,000		
	28 April 2017 to 27 April 2027 二零一七年四月二十八日至二零二七年四月二十七日	2.886	1,220,000	–	(1,100,000)	–	120,000		
			79,773,500	–	(11,095,400)	(780,261)	67,897,839		
Weighted average exercise price per share (HK$) 每股加權平均行使價(港元) – Equivalent to approximately RMB per share –每股相當於約人民幣			3.50 2.92		3.96 3.30	2.79 0.31	3.42 3.00		
Weighted average remaining contractual life of options outstanding at 31 December 2018 於二零一八年十二月三十一日尚未行使的購股權加權平均剩餘合約有效期							6.3 years 6.3年		
Number of options exercisable at 31 December 2018 於二零一八年十二月三十一日可行使購股權數目							46,940,439		
Weighted average exercise price per share of options exercisable at 31 December 2018 (HK$) 於二零一八年十二月三十一日可行使購股權之每股加權平均行使價(港元) – Equivalent to approximately RMB per share –每股相當於約人民幣							3.47 3.04		

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

30. 以股份為基礎的酬金交易(續)

(c) Share Option Scheme adopted by the Company in November 2014 (Continued)

(c) 本公司於二零一四年十一月採納的購股權計劃(續)

2017 **二零一七年**

	Exercisable period 行使期	Exercise price per share 每股行使價 HK$ 港元	Outstanding as at 1 January 於一月一日尚未行使	Granted during the year 年內授出	Forfeited during the year 年內沒收	Exercised during the year 年內行使	Outstanding as at 31 December 於十二月三十一日尚未行使	Exercise date 行使日期	Weighted average share price at exercise date 於行使日期之股份加權平均價 HK$ 港元
Directors 董事	5 January 2015 to 4 January 2025 二零一五年一月五日至二零二五年一月四日	2.67	23,520,000	–	–	–	23,520,000		
	8 January 2016 to 7 January 2026 二零一六年一月八日至二零二六年一月七日	5.506	7,840,000	–	–	–	7,840,000		
Employees 僱員	5 January 2015 to 4 January 2025 二零一五年一月五日至二零二五年一月四日	2.67	22,489,750	–	(1,386,250)	(130,000)	20,973,500	16 March 2017 and 6 April 2017 二零一七年三月十六日及二零一七年四月六日	2.97
	9 July 2015 to 8 July 2025 二零一五年七月九日至二零二五年七月八日	4.402	22,365,000	–	(425,000)	–	21,940,000		
	17 May 2016 to 16 May 2026 二零一六年五月十七日至二零二六年五月十六日	3.684	2,620,000	–	(190,000)	–	2,430,000		
	7 September 2016 to 6 September 2026 二零一六年九月七日至二零二六年九月六日	3.95	1,850,000	–	–	–	1,850,000		
	28 April 2017 to 27 April 2027 二零一七年四月二十八日至二零二七年四月二十七日	2.886	–	1,440,000	(220,000)	–	1,220,000		
			80,684,750	1,440,000	(2,221,250)	(130,000)	79,773,500		
Weighted average exercise price per share (HK$) 每股加權平均行使價(港元)		3.49	2.89	3.11	2.08	3.50			
– Equivalent to approximately RMB per share –每股相當於約人民幣		3.12	2.58	2.50	1.84	2.92			
Weighted average remaining contractual life of options outstanding at 31 December 2017 於二零一七年十二月三十一日尚未行使的購股權加權平均剩餘合約有效期							7.4 years 7.4年		
Number of options exercisable at 31 December 2017 於二零一七年十二月三十一日可行使購股權數目							36,603,500		
Weighted average exercise price per share of options exercisable at 31 December 2017 (HK$) 於二零一七年十二月三十一日可行使購股權之每股加權平均行使價(港元)							3.49		
– Equivalent to approximately RMB per share –每股相當於約人民幣							2.92		

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(c) Share Option Scheme adopted by the Company in November 2014 (Continued)

As at 31 December 2018, the Group had 67,897,839 (2017: 79,773,500) share options outstanding under the Share Option Scheme adopted by the Company in November 2014, which represented approximately 6.21% (2017: 8.64%) of the issued ordinary shares of the Company as at 31 December 2018.

(d) Share Award Scheme adopted by the Company in May 2017

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 19 May 2017, a share award scheme was adopted by the Company (the "Share Award Scheme").

The purpose of the Share Award Scheme is to align the interests of eligible participants with those of the Group through ownership of shares, dividends and other distributions paid on shares and/or the increase in value of the shares, and to encourage and retain eligible participants to make contributions to the long-term growth and profits of the Group. All directors, full-time employees and any other person who, in the sole discretion of the board of directors, have contributed or will contribute to the Group are eligible to participate in the Share Award Scheme. Each grant of award to any director of the Company, the chief executive officer or substantial shareholder of the Company must first be approved by the independent non-executive directors of the Company.

The maximum number of shares to be granted must not exceed 7% of the issued share capital of the Company from time to time (the "Share Award Scheme Limit"). The Share Award Scheme Limit may be refreshed at any time by obtaining approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). At the time of grant of the awards, the Company may specify any minimum performance target(s) that must be achieved, before the awards can be vested in whole or in part.

30. 以股份為基礎的酬金交易(續)

(c) 本公司於二零一四年十一月採納的購股權計劃(續)

於二零一八年十二月三十一日，本集團根據本公司於二零一四年十一月採納的購股權計劃有67,897,839份(二零一七年：79,773,500份)購股權尚未行使，佔於二零一八年十二月三十一日本公司已發行普通股的約6.21%(二零一七年：8.64%)。

(d) 本公司於二零一七年五月採納的股份獎勵計劃

根據本公司於二零一七年五月十九日舉行之股東週年大會上通過之普通決議案，本公司採納一項股份獎勵計劃(「股份獎勵計劃」)。

股份獎勵計劃旨在透過股份擁有權、股息及其他就股份作出的分派及／或提升股份價值，使合資格參與人士之利益與本集團之利益一致，並鼓勵及挽留合資格參與人士為本集團的長期增長及溢利作出貢獻。所有曾經或將會對本集團有所貢獻之董事、全職僱員及由董事會酌情決定之任何其他人士均符合資格參與股份獎勵計劃。向本公司任何董事、本公司行政總裁或主要股東授予之每一項獎勵須首先取得本公司獨立非執行董事之批准。

將予授出之股份最高數目不得超過本公司不時已發行股本之7%(「股份獎勵計劃限額」)。股份獎勵計劃限額可於任何時間通過取得本公司股東於股東大會上之批准及／或根據聯交所證券上市規則(「上市規則」)訂明的有關其他規定予以更新。於授出獎勵時，本公司可指明在獎勵全部或部分歸屬前必須達到的任何最低業績目標。

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(d) Share Award Scheme adopted by the Company in May 2017 (Continued)

On 23 May 2018, the Company extended the scheme mandate to permit the Directors to issue and allot up to 55,084,636 shares permitted to be granted under the Share Award Scheme, subject to an annual limit of 3% of the total number of issued shares as at 23 May 2018, being the date of the Company's annual general meeting at which the relevant resolution was passed.

During the year ended 31 December 2018, the Company has purchased 16,887,000 shares (2017: 300,000 shares) amounting to RMB13,407,000 (2017: RMB514,000) through its trustee on the Stock Exchange. The acquired Shares was recognised and accumulated in equity under the heading of "Shares held under Share Award Scheme".

Movements in the number of shares held for the Share Award Scheme and awarded shares are as follows:

30. 以股份為基礎的酬金交易(續)

(d) 本公司於二零一七年五月採納的股份獎勵計劃(續)

於二零一八年五月二十三日，本公司擴大計劃授權，准許董事發行及配發根據股份獎勵計劃授出的最多55,084,636股股份，惟受限於二零一八年五月二十三日(即相關決議案於本公司股東週年大會上獲通過當日)已發行股份總數3%之年度上限。

截至二零一八年十二月三十一日止年度，本公司透過其受託人於聯交所購買16,887,000股股份(二零一七年：300,000股股份)，金額為人民幣13,407,000元(二零一七年：人民幣514,000元)。已收購股份於權益中「根據股份獎勵計劃持有之股份」內確認及累計。

股份獎勵計劃所持股份及獎勵股份數目變動如下：

		2018 二零一八年		2017 二零一七年	
		Weighted average fair value per share 每股加權平均公允值 RMB 人民幣	**Number of share award 股份獎勵數目**	Weighted average fair value per share 每股加權平均公允值 RMB 人民幣	Number of share award 股份獎勵數目
At 1 January	於一月一日	**—**	**—**	—	—
Granted	已授出	**2.05**	**1,000,000**		
As at 31 December	於十二月三十一日	**2.05**	**1,000,000**	—	—
Vested at 31 December	於十二月三十一日獲歸屬	**2.05**	**250,000**	—	—

30. SHARE-BASED COMPENSATION TRANSACTIONS (Continued)

(d) Share Award Scheme adopted by the Company in May 2017 (Continued)

Notes:

(i) The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have taken into account when assessing the fair value of these awarded shares.

(ii) 250,000 shares are vested during year ended 31 December 2018 (2017: Nil).

(e)

The Group recognised a total expense of RMB 29,037,000 for the year ended 31 December 2018 (2017: RMB24,929,000) in relation to the above share options granted by the shareholders or the Company, and the share-based compensation expense were shown as a separate item on the face of the consolidated statement of profit or loss and other comprehensive income.

30. 以股份為基礎的酬金交易(續)

(d) 本公司於二零一七年五月採納的股份獎勵計劃(續)

附註:

(i) 獎勵股份之公允值乃根據本公司股份於各授出日期的市場價計算。在評估該等獎勵股份之公允值時,已計入歸屬期內之預計股息。

(ii) 截至二零一八年十二月三十一日止年度,250,000股股份獲歸屬(二零一七年:無)。

(e)

本集團於截至二零一八年十二月三十一日止年度確認與股東或本公司授出的上述購股權有關的總開支為人民幣29,037,000元(二零一七年:人民幣24,929,000元),而以股份為基礎的酬金開支於綜合損益及其他全面收益表列為單獨項目。

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

31. 本公司的財務狀況表

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	**非流動資產**		
Interest in subsidiaries	於附屬公司的權益	**266,684**	291,541
Intangible assets	無形資產	**—**	38,140
Available-for-sale financial assets	可供出售金融資產	**—**	30,000
Financial assets at fair value through profit or loss	按公允值計入損益的金融資產	**13,286**	—
Loan to a subsidiary	給予一間附屬公司之貸款	**—**	191,570
Loan to a third party	給予第三方之貸款	**—**	10,890
		279,970	562,141
Current assets	**流動資產**		
Other receivables	其他應收款項	**6,915**	8,326
Loan to a third party	給予第三方之貸款	**51,151**	39,340
Amount due from an associate	應收一間聯營公司款項	**—**	200
Amounts due from subsidiaries	應收附屬公司款項	**823,331**	92,654
Bank balances and cash	銀行結餘及現金	**7,545**	65,532
		888,942	206,052
Current liabilities	**流動負債**		
Other payables	其他應付款項	**4,437**	7,188
Amounts due to subsidiaries	應付附屬公司款項	**114,226**	—
Convertible notes	可換股票據	**70,323**	—
		188,986	7,188
Net current assets	**流動資產淨值**	**699,956**	198,864
Net assets	**資產淨值**	**979,926**	761,005
Equity	**權益**		
Share capital	股本	**340**	285
Reserves (Note)	儲備(附註)	**979,586**	760,720
Total equity	**權益總額**	**979,926**	761,005

Approved and authorised for issue by the board of directors on 29 March 2019.

於二零一九年三月二十九日經董事會批准及授權刊發。

Yang Eric Qing
楊慶
Director
董事

Ng Kwok Leung Frank
伍國樑
Director
董事

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

31. 本公司的財務狀況表(續)

Note:

附註:

The movements of the Company's reserves are as follows:

本公司儲備的變動如下:

		Share premium 股份溢價 RMB'000 人民幣千元	Shares held under the Share Award Scheme 根據股份獎勵計劃持有之股份 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total reserves 儲備總額 RMB'000 人民幣千元
Balance at 1 January 2017	於二零一七年一月一日之結餘	574,661	–	105,772	–	(78,837)	601,596
Loss for the year	年內虧損	–	–	–	–	(77,141)	(77,141)
Share-based compensation (Note 30(e))	以股份為基礎的酬金(附註30(e))	–	–	21,713	–	–	21,713
Exercise of share options (Note 28(ii) & Note 30)	行使購股權(附註28(ii)及附註30)	405	–	(91)	–	–	314
Transfer upon forfeiture of share options	於沒收購股權時轉撥	–	–	(1,502)	–	1,502	–
Issuance of Convertibles Notes (Note 26)	發行可換股票據(附註26)	–	–	–	695	–	695
Issuance of shares (Note 28(iv))	發行股份(附註28(iv))	110,503	–	–	–	–	110,503
Conversion of 2017 Convertible Notes into shares (Note 28(iii) & Note 26)	二零一七年可換股票據轉換為股份(附註28(iii)及附註26)	104,249	–	–	(695)	–	103,554
Purchase of shares for Share Award Scheme (Note 30(d))	就股份獎勵計劃購回股份(附註30(d))	–	(514)	–	–	–	(514)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	789,818	(514)	125,892	–	(154,476)	760,720
Impact of initial application of IFRS 9	初始應用國際財務報告準則第9號的影響	–	–	–	–	(26,541)	(26,541)
Adjusted balance at 1 January 2018	於二零一八年一月一日的經調整結餘	789,818	(514)	125,892	–	(181,017)	734,179
Loss for the year	年內虧損	–	–	–	–	(35,025)	(35,025)
Share-based compensation (Note 30(e))	以股份為基礎的酬金(附註30(e))	–	979	28,058	–	–	29,037
Exercise of share options (Note 28(ii) & Note 30)	行使購股權(附註28(ii)及附註30)	2,221	–	(474)	–	–	1,747
Transfer upon forfeiture of share options	於沒收購股權時轉撥	–	–	(39,590)	–	39,590	–
Issuance of shares for management subscription (Note 28(v))	發行股份以供管理層認購(附註28(v))	231,524	–	–	–	–	231,524
Issuance of shares for acquisition (Note 28(vi))	發行股份以供收購(附註28(vi))	31,531	–	–	–	–	31,531
Purchase of shares for Share Award Scheme (Note 30(d))	就股份獎勵計劃購回股份(附註30(d))	–	(13,407)	–	–	–	(13,407)
Balance at 31 December 2018	**於二零一八年十二月三十一日之結餘**	1,055,094	(12,942)	113,886	–	(176,452)	979,586

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

As at 31 December 2018, the aggregate amount of reserves available for distribution to equity holders of the Company was RMB878,642,000 (2017: RMB635,342,000).

31. 本公司的財務狀況表(續)

附註:(續)

於二零一八年十二月三十一日,可供分配予本公司權益持有人的儲備合共為人民幣878,642,000元(二零一七年:人民幣635,342,000元)。

32. COMMITMENTS

(a) Capital commitments

At the reporting date, the Group had the following capital commitments:

32. 承擔

(a) 資本承擔

於報告日期,本集團有以下資本承擔:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted but not provided for:	已訂約但未撥備:		
Expenditure in respect of acquisition of intangible assets	有關收購無形資產之支出	—	1,355
Expenditure in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備之支出	—	32,326
Expenditure in respect of investments in subsidiaries	有關投資附屬公司之支出	1,500	—
Expenditure in respect of investments in associates	有關投資聯營公司之支出	2,118	21,918
Expenditure in respect of investment in financial assets at fair value through profit or loss/available-for-sale financial assets	有關投資按公允值計入損益的金融資產/可供出售金融資產之支出	1,800	25,000
		5,418	80,599

32. COMMITMENTS (Continued)

(b) Operating lease commitments

The Group leases its servers, lines, offices and various properties under non-cancellable operating lease agreements. The leases have varying lease terms and renewal rights. At the reporting date, the total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

32. 承擔(續)

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租賃其服務器、線路、辦公室及各種物業。租賃具有不同租期且可續期。於報告日期，本集團根據不可撤銷經營租賃應付的未來最低租賃費付款總額如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	**26,522**	29,544
In the second to fifth year inclusive	第二年至第五年（包含首尾兩年）	**69,857**	72,591
After fifth year	五年後	**7,687**	4,182
		104,066	106,317

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following material transactions with related parties:

(a) Key management personnel remuneration

Key management of the Group are members of the Board and senior management. Included in employee benefit expenses are key management personnel remuneration which includes the following expenses:

33. 重大關聯方交易

除於綜合財務報表其他地方所披露之交易／資料外，年內本集團與其關聯方進行的重大交易如下：

(a) 主要管理層人員酬金

本集團主要管理層為董事會成員及高級管理層。納入僱員福利開支之主要管理層人員酬金包括以下開支：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	**5,982**	4,962
Discretionary bonus	酌情花紅	**775**	1,453
Retirement benefit scheme contributions	退休福利計劃供款	**348**	248
Share-based compensation expense	以股份為基礎的酬金開支	**4,077**	11,888
		11,182	18,551

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

33. 重大關聯方交易(續)

(b) Related party transactions

(b) 關聯方交易

Name of related companies 關聯公司名稱	Related party relationship 關聯方關係	Nature of transactions 交易性質	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
上海大承網絡技術有限公司	A company under controlled by substantial shareholders of the Group 由本集團主要股東控制之公司	Event service income 賽事服務收入	**45**	1,220
Irena Group Co., Ltd.	Substantial shareholders of the Group 本集團主要股東	Event service income 賽事服務收入	**—**	981
北京水木智娛科技有限公司	An associate of the Group 本集團聯營公司	Event service income 賽事服務收入	**—**	116
天津中棋惟業體育發展有限公司	An associate of the Group 本集團聯營公司	Event service income 賽事服務收入	**6**	13
		Revenue 收入	**553**	—
北京博悅樂動科技有限公司	An associate of the Group 本集團聯營公司	Consultancy service income 諮詢服務收入	**239**	207
北京奕趣互彩科技有限公司	An associate of the Group 本集團聯營公司	Consultancy service income 諮詢服務收入	**—**	269
深圳賽格聯眾互聯網科技有限公司	An associate of the Group 本集團聯營公司	Marketing expense 營銷開支	**244**	—
天津歡度網絡科技有限公司	An associate of the Group 本集團聯營公司	Interest income 利息收入	**78**	72
北京掌萬寶信息技術有限公司	An associate of the Group 本集團聯營公司	Interest income 利息收入	**92**	51
北京中競鴿體育文化發展有限公司	An associate of the Group 本集團聯營公司	Interest income 利息收入	**25**	3
海南體窗聯眾體育文化有限公司	An associate of the Group 本集團聯營公司	Interest income 利息收入	**68**	—
Esports Arena LLC	An associate of the Group 本集團聯營公司	Interest income 利息收入	**—**	200
北京掌萬寶信息技術有限公司	An associate of the Group 本集團聯營公司	Disposal of intangible assets 出售無形資產	**—**	3,985

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

33. 重大關聯方交易(續)

(c) Loans to directors and entities connected with directors

Loan to directors and entities connected with directors of the Company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

(c) 向董事及董事的關連實體提供貸款

向本公司董事及董事的關連實體提供貸款根據香港公司條例第383(1)(d)條及公司(披露董事利益資料)規例第3部披露如下：

Name of borrower 借方姓名	Relationship with the Company 與本公司關係	Amount of loan 貸款金額 At end of year 於年末 RMB'000 人民幣千元	At beginning of year 於年初 RMB'000 人民幣千元	Maximum outstanding during the year 年內最高未償還額 RMB'000 人民幣千元	Term 期限	Interest rate 利率
2018 **二零一八年**						
Mr. Ng Kwok Leung 伍國樑先生	An executive director of the Company 本公司執行董事	4,381	–	4,381	Repayable in 1 year and secured by equity interests in the Company 須於一年內償還及以本公司股權作抵押	2.0% per annum 每年2.0%

34. ACQUISITIONS OF SUBSIDIARIES

(a) Acquisition of Nanjing Haoyun Meicheng Electronics Co., Ltd.

On 9 February 2018, the Group acquired 100% of the issued share capital of Nanjing Haoyun Meicheng Electronics Co., Ltd. ("Nanjing Haoyun") at a total consideration of RMB220,000,000 (the "Consideration"), among which RMB136,000,000 shall be settled in cash and RMB84,000,000 shall be settled in issuing consideration shares, which shall be payable in three instalments from the date of completion to Year 2020 as follows:

34. 收購附屬公司

(a) 收購南京好運美成電子科技有限公司

於二零一八年二月九日，本集團收購南京好運美成電子科技有限公司(「南京好運」)全部已發行股本，總代價為人民幣220,000,000元(「代價」)，其中人民幣136,000,000元以現金結算，人民幣84,000,000元透過發行代價股份結算，其須自完成日期至二零二零年分三期支付如下：

		Cash consideration 現金代價 RMB'000 人民幣千元	Consideration shares 代價股份 RMB'000 人民幣千元 (note) (附註)	Total 總額 RMB'000 人民幣千元	Number of consideration shares 代價股份數目 (Unit) (單位)
First instalment	第一期	60,400	33,600	94,000	15,555,556
Second instalment	第二期	37,800	25,200	63,000	11,666,666
Third instalment	第三期	37,800	25,200	63,000	11,666,666
Total	**合計**	136,000	84,000	220,000	38,888,888

Note: Based on the issue price of HK$2.62 (equivalent to approximately RMB2.16) per consideration share as stated in the acquisition agreement.

附註：基於收購協議所述之發行價每股代價股份2.62港元(相當於約人民幣2.16元)。

As part of the Group's strategy is to actively seek investment opportunities that would bring strategic resources to expand the Group's portfolio and user base, the directors of the Company believe that the acquisition presents an opportunity for the Group to complement and enlarge China national games platforms. In view of the existing card and board games developed and operated by Nanjing Haoyun and the geographical coverage of Nanjing Haoyun in China, and the experiences of the members of the core management team in Nanjing Haoyun in developing and operating card and board games, the directors of the Company believe that the acquisition will further consolidate the Group's leading position in its domestic China card and board games business and enhance its brand influence.

作為策略的一部分，本集團積極尋求能夠帶來策略資源並擴大本集團投資組合及用戶基礎的投資機會，本公司董事認為，上述收購乃本集團補足及擴大國內遊戲平台的機會。鑒於南京好運開發及運營的現有紙牌遊戲以及南京好運於中國的地域覆蓋範圍、南京好運核心管理層團隊成員於開發及運營棋牌遊戲方面的經驗，本公司董事認為，上述收購將進一步鞏固本集團於國內棋牌遊戲業務的領先地位並提升其品牌影響力。

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(a) Acquisition of Nanjing Haoyun Meicheng Electronics Co., Ltd. (Continued)

The following summarises the consideration paid for Nanjing Haoyun and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

34. 收購附屬公司(續)

(a) 收購南京好運美成電子科技有限公司(續)

以下概述就南京好運已付代價以及已收購資產及所承擔負債於收購日期之確認金額：

		Note 附註	Fair value of net identifiable assets and liabilities acquired 已收購可識別資產及負債淨額之公允值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		**1,616**
Intangible assets	無形資產		**174,312**
Trade and other receivables	貿易及其他應收款項		**5,696**
Bank balances and cash	銀行結餘及現金		**29,776**
Trade and other payables	貿易及其他應付款項		**(37,064)**
Income tax payable	應付所得稅		**(66)**
Deferred tax liabilities	遞延稅項負債		**(43,578)**
Net identifiable assets acquired	所收購可識別資產淨額		**130,692**
Goodwill	商譽		**74,394**
			205,086
Satisfied by:	支付方式：		
Cash consideration	現金代價		**60,400**
Fair value of consideration shares issued	已發行代價股份之公允值		**31,536**
Contingent consideration payables	應付或然代價	25	**113,150**
			205,086

Profit Guarantee

Pursuant to the acquisition agreement, the vendors undertook that the audited net profit of Nanjing Haoyun for the year ending 31 December 2018 shall not be less than RMB40,000,000 (the "Nanjing Haoyun's 2018 Guarantee Profit") and for the year ending 31 December 2019 shall not be less than RMB52,000,000 (the "Nanjing Haoyun's 2019 Guarantee Profit").

溢利擔保

根據收購協議，賣方承諾南京好運於截至二零一八年十二月三十一日止年度的經審核溢利淨額將不會少於人民幣40,000,000元(「南京好運二零一八年擔保溢利」)，且於截至二零一九年十二月三十一日止年度將不會少於人民幣52,000,000元(「南京好運二零一九年擔保溢利」)。

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(a) Acquisition of Nanjing Haoyun Meicheng Electronics Co., Ltd. (Continued)

Adjustments to the Consideration

In the event that the Nanjing Haoyun does not meet the Nanjing Haoyun's 2018 Guarantee Profit, the vendors shall compensate to the Group by adjusting the second trench of consideration payment in accordance with the following formula:

$$\text{2018 Compensation Amount} = \text{Nanjing Haoyun's 2018 Guarantee Profit} - \text{audited net profit}) \times 4$$

In the event that the Nanjing Haoyun does not meet the Nanjing Haoyun's 2019 Guarantee Profit, the vendors shall compensate to the Group by adjusting the third trench of consideration payment in accordance with the following formula:

$$\text{2019 Compensation Amount} = (\text{Nanjing Haoyun's 2019 Guarantee Profit} - \text{audited net profit}) \times 4$$

In no events shall the difference of the Consideration and the sum of 2018 Compensation Amount and 2019 Compensation Amount exceeds RMB220,000,000.

Goodwill of RMB74,394,000 arose in the above business combination as the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

34. 收購附屬公司(續)

(a) 收購南京好運美成電子科技有限公司(續)

代價調整

倘南京好運未實現南京好運二零一八年擔保溢利，賣方須根據下列公式通過調整第二筆代價付款向本集團賠償：

$$\text{二零一八年補償金額} = (\text{南京好運二零一八年擔保溢利} - \text{經審核溢利淨額}) \times 4$$

倘南京好運未實現南京好運二零一九年擔保溢利，賣方須根據下列公式通過調整第三筆代價付款向本集團賠償：

$$\text{二零一九年補償金額} = (\text{南京好運二零一九年擔保溢利} - \text{經審核溢利淨額}) \times 4$$

無論如何，代價金額及二零一八年補償金額與二零一九年補償金額總和之差額不可超過人民幣220,000,000元。

上述業務合併產生之商譽人民幣74,394,000元為合併成本，包括控制溢價。此外，就合併已有效支付之代價包括有關預期協同效應、收入增加、未來市場發展及合併後員工之所帶來利益相關之金額。該等利益並無與商譽分開確認，乃由於其並未符合可識別無形資產之確認條件。

預計上述收購產生之商譽不可扣稅。

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(a) Acquisition of Nanjing Haoyun Meicheng Electronics Co., Ltd. (Continued)

Adjustments to the Consideration (Continued)

An analysis of the cash flows in respect of the acquisition is as follows:

34. 收購附屬公司(續)

(a) 收購南京好運美成電子科技有限公司(續)

代價調整(續)

有關收購事項現金流之分析如下：

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	(60,400)
Less: Bank balances and cash acquired	減：已收購銀行結餘及現金	29,776
Net outflow of cash and cash equivalents included in the cash flows from investing activities	計入投資活動所得現金流之現金及現金等價物流出淨額	(30,624)

The revenue and profit included in the consolidated statement of profit or loss and other comprehensive income since 9 February 2018 to 31 December 2018 contributed by Nanjing Haoyun was RMB116,661,000 and RMB45,456,000 respectively.

自二零一八年二月九日至二零一八年十二月三十一日之綜合損益及其他全面收益表包括南京好運貢獻之收益及溢利，分別為人民幣116,661,000元及人民幣45,456,000元。

Had the combination taken place on 1 January 2018, the revenue from continuing operations and loss of the Group for the year ended 31 December 2018 would have been RMB344,945,000 and RMB697,827,000 respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operation of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor are they intended to be a projection of future results.

倘合併於二零一八年一月一日進行，截至二零一八年十二月三十一日止年度本集團之持續經營業務收益及虧損分別會為人民幣344,945,000元及人民幣697,827,000元。此等備考資料僅供説明，不能作為假設收購於二零一八年一月一日完成本集團實際所取得收益及經營業績之指標，亦不擬作為未來業績之預測。

(b) Acquisition of eSports Arena LLC

On 1 January 2018, the Group acquired additional interests of 64.44% of the issued share capital of the associate, eSports Arena LLC ("eSports Arena") at a total consideration of US$1,484,295 (equivalent to approximately RMB10,376,000) (the "Consideration").

(b) 收購eSports Arena LLC

二零一八年一月一日，本集團以總代價1,484,295美元(相當於約人民幣10,376,000元)(「代價」)收購聯營公司eSports Arena LLC(「eSports Arena」)已發行股本之64.44%額外權益。

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(b) Acquisition of eSports Arena LLC (Continued)

The following summarises the consideration paid for the acquisition of eSports Arena and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

34. 收購附屬公司(續)

(b) 收購eSports Arena LLC(續)

以下概述就收購eSports Arena已付代價以及已收購資產及所承擔負債於收購日期之確認金額：

		Fair value of net identifiable assets and liabilities acquired 已收購可識別資產及負債淨額之公允值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	**16,628**
Intangible assets	無形資產	**7,057**
Trade and other receivables	貿易及其他應收款項	**6,855**
Bank balances and cash	銀行結餘及現金	**68**
Trade and other payables	貿易及其他應付款項	**(33,116)**
Net identifiable liabilities assumed	所承擔可識別負債淨額	**(2,508)**
Fair value of non-controlling interests	非控股權益之公允值	**(5,278)**
Goodwill	商譽	**22,913**
		15,127
Satisfied by:	支付方式：	
Cash	現金	**10,376**
Fair value of 18% interest in associate given up	已放棄於聯營公司18%權益之公允值	**4,751**
		15,127

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(b) Acquisition of eSports Arena LLC (Continued)

An analysis of the cash flows in respect of the acquisition is as follows:

34. 收購附屬公司(續)

(b) 收購eSports Arena LLC(續)

收購事項的現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	(10,376)
Less: Bank balances and cash acquired	減：所收購銀行結餘及現金	68
Net outflow of cash and cash equivalents included in the cash flows from investing activities	計入投資活動所得現金流量的現金及現金等價物流出淨額	(10,308)

The revenue and loss included in the consolidated statement of profit or loss and other comprehensive income since 1 January 2018 to 31 July 2018 contributed by eSports Arena was RMB5,256,000 and RMB14,836,000 respectively.

自二零一八年一月一日以至二零一八年七月三十一日之綜合損益及其他全面收益表包括eSports Arena貢獻之收益及虧損，分別為人民幣5,256,000元及人民幣14,836,000元。

Subsequent to the acquisition, the Group disposed of 57.44% equity interest in August 2018 (note 35(b)).

收購後，本集團於二零一八年八月出售57.44%的股權(附註35(b))。

(c) Acquisition of Beijing Zhangzhong Qiji Technology Co., Limited

On 11 October 2017, the Group acquired 100% of the issued share capital of Beijing Zhangzhong Qiji Technology Co., Limited ("Beijing Zhangzhong Qiji") at a total cash consideration of RMB36,000,000 (the "Consideration"). As part of the Group's strategy is to actively seek for investment opportunities that would bring strategic resources to expand the Group's portfolio and user base, the directors believe that the acquisition presents an opportunity for the Group to complement and enlarge China national games platforms. In view of the existing card and board games developed and operated by Beijing Zhangzhong Qiji and the market share of Beijing Zhangzhong Qiji in China, and the experiences of the members of the core management team in Beijing Zhangzhong Qiji in developing and operating card and board games, the directors believes that the acquisition will further consolidate the Group's leading position in its domestic China card and board games business and enhance its brand influence.

(c) 收購北京掌中奇跡科技有限公司

於二零一七年十月十一日，本集團收購北京掌中奇跡科技有限公司(「北京掌中奇跡」)全部已發行股本，現金總代價為人民幣36,000,000元(「代價」)。作為策略的一部分，本集團積極尋求能夠帶來策略資源並擴大本集團組合及用戶基礎的投資機會，董事認為，上述收購乃本集團補足及擴大國內遊戲平台的機會。鑒於北京掌中奇跡開發及運營的現有紙牌遊戲以及北京掌中奇跡於中國的市場份額、北京掌中奇跡核心管理層團隊成員於開發及運營紙牌遊戲方面的經驗，董事認為，上述收購將進一步鞏固本集團於國內紙牌遊戲業務的領先地位並提升其品牌影響力。

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(c) Acquisition of Beijing Zhangzhong Qiji Technology Co., Limited (Continued)

The following summarises the consideration paid for Beijing Zhangzhong Qiji and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

		Fair value of net identifiable assets and liabilities acquired 已收購可識別資產及負債淨額之公允值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	38
Intangible assets	無形資產	371
Trade and other receivables	貿易及其他應收款項	5,200
Bank balances and cash	銀行結餘及現金	262
Trade and other payables	貿易及其他應付款項	(3,281)
Deferred tax liabilities	遞延稅項負債	(93)
Net identifiable assets acquired	已收購可識別資產淨值	2,497
Contingent consideration payable for profit guarantee	就溢利擔保應付或然代價	(906)
Goodwill	商譽	34,409
		36,000
Satisfied by:	支付方式：	
Cash	現金	36,000

Profit Guarantee

Pursuant to the acquisition agreement, the vendors undertook that the audited net profit of Beijing Zhangzhong Qiji for the next twelve months upon completion of acquisition shall not be less than RMB6,000,000 (the "Beijing Zhangzhong Qiji's Guarantee Profit").

Adjustments to the Consideration

In the event that the Beijing Zhangzhong Qiji does not meet the performance guarantee, the vendors shall compensate to the Group in cash in accordance with the following formula:

$$\text{Compensation Amount} = (\text{Beijing Zhangzhong Qiji's Guarantee Profit} - \text{audited net profit}) \times 8$$

34. 收購附屬公司(續)

(c) 收購北京掌中奇跡科技有限公司(續)

以下概述就北京掌中奇跡已付代價以及已收購資產及所承擔負債於收購日期之確認金額：

溢利擔保

根據收購協議，賣方承諾於收購完成後十二個月內北京掌中奇跡的經審核溢利淨額將不會少於人民幣6,000,000元(「北京掌中奇跡擔保溢利」)。

代價調整

倘北京掌中奇跡未實現業績擔保，賣方須根據下列公式向本集團賠償現金：

$$\text{賠償金額} = (\text{北京掌中奇跡擔保溢利} - \text{經審核溢利淨額}) \times 8$$

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(c) Acquisition of Beijing Zhangzhong Qiji Technology Co., Limited (Continued)

Adjustments to the Consideration (Continued)

In the event that the Beijing Zhangzhong Qiji exceeds the Performance Guarantee, the Group shall pay additional amount to the vendors in cash in accordance with the following formula:

$$\text{Additional Amount} = (\text{Audited net profit} - \text{Beijing Zhangzhong Qiji's Guarantee Profit}) \times 8$$

In no events shall the sum of the Consideration and the Additional Amount exceeds RMB48,000,000.

If the difference between the Beijing Zhangzhong Qiji's Guarantee Profit and the audited net profit is within +/-5%, the vendors and the Group shall not compensate or pay each other.

Goodwill of RMB34,409,000 arose in the above business combination as the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

An analysis of the cash flows in respect of the acquisition is as follows:

34. 收購附屬公司(續)

(c) 收購北京掌中奇跡科技有限公司(續)

代價調整(續)

倘北京掌中奇跡超過業績擔保，本集團須根據下列公式向賣方支付額外現金金額：

$$\text{額外金額} = (\text{經審核溢利淨額} - \text{北京掌中奇跡擔保溢利}) \times 8$$

無論如何，代價金額及額外金額總和不可超過人民幣48,000,000元。

倘北京掌中奇跡擔保溢利與經審核溢利淨額之差額在+／-5%之間，則賣方及本集團將不會向對方賠償或付款。

上述業務合併產生之商譽人民幣34,409,000元為合併成本，包括控股溢價。此外，就合併實際支付之代價包括與預期協同效應、收入增長、未來市場發展及配套員工等裨益相關之金額。該等裨益並無與商譽分開確認，乃由於其並未達到可識別無形資產確認標準。

預計上述收購產生之商譽不可用於扣稅。

有關收購事項現金流量之分析如下：

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	(36,000)
Less: Bank balances and cash acquired	減：已收購銀行結餘及現金	262
Net outflow of cash and cash equivalents included in the cash flows from investing activities	計入投資活動所得現金流量之現金及現金等價物流出淨額	(35,738)

34. ACQUISITIONS OF SUBSIDIARIES (Continued)

(c) Acquisition of Beijing Zhangzhong Qiji Technology Co., Limited (Continued)

The revenue and profit included in the consolidated statement of profit or loss and other comprehensive income since 11 October 2017 to 31 December 2017 contributed by Beijing Zhangzhong Qiji was RMB17,123,000 and RMB1,486,000 respectively.

Had the combination taken place on 1 January 2017, the revenue and loss of the Group for the year ended 31 December 2017 would have been RMB621,565,000 and RMB42,977,000 respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operation of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor are they intended to be a projection of future results.

34. 收購附屬公司(續)

(c) 收購北京掌中奇跡科技有限公司(續)

自二零一七年十月十一日至二零一七年十二月三十一日之綜合損益及其他全面收益表包括北京掌中奇跡貢獻之收入及溢利，分別為人民幣17,123,000元及人民幣1,486,000元。

倘合併於二零一七年一月一日作實，本集團於截至二零一七年十二月三十一日止年度之收入及虧損將分別為人民幣621,565,000元及人民幣42,977,000元。備考資料僅供說明，不能作為假設收購於二零一七年一月一日完成本集團實際所取得收入及經營業績之指標，亦不擬作為未來業績之預測。

35. DISPOSAL OF SUBSIDIARIES

(a) Disposal of subsidiaries with loss of control — Tianjin Allied Esports Internet Technology Co., Ltd. ("Tianjin Allied Esports")

In November 2018, the Group disposed of entire equity interest in its subsidiary, Tianjin Allied Esports Internet Technology Co., Ltd. ("Tianjin Allied Esports") to independent third parties.

35. 出售附屬公司

(a) 出售附屬公司並導致失去控制權 — 天津聯盟電競互聯網科技有限公司(「天津聯盟電競」)

於二零一八年十一月，本集團向獨立第三方出售其附屬公司天津聯盟電競互聯網科技有限公司(「天津聯盟電競」)的全部股權。

35. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal of subsidiaries with loss of control — Tianjin Allied Esports Internet Technology Co., Ltd. ("Tianjin Allied Esports") (Continued)

The following summarises the assets and liabilities over which control was lost at the disposal date and cash inflow arising on the disposal:

Analysis of assets and liabilities over which control was lost

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	**17,860**
Intangible assets	無形資產	**210**
Interests in associates	於聯營公司的權益	**9,042**
Inventories	存貨	**42**
Trade and other receivables	貿易及其他應收款項	**294,744**
Income tax recoverable	可收回所得稅	**2,096**
Bank balances and cash	銀行結餘及現金	**3,358**
Trade and other payables	貿易及其他應付款項	**(285,391)**
Net assets disposed of	**出售資產淨值**	**41,961**

		RMB'000 人民幣千元
Consideration	或然代價	**4,118**
Non-controlling interests	非控股權益	**12,745**
Net assets disposed of	出售資產淨值	**(41,961)**
Loss on disposal of a subsidiary (note 7)	**出售一家附屬公司之虧損**(附註7)	**(25,098)**

Net cash inflow arising on disposal

		RMB'000 人民幣千元
Consideration	代價	**4,118**
Bank balances and cash disposed of	已出售的銀行結餘及現金	**(3,358)**
		760

35. 出售附屬公司(續)

(a) 出售附屬公司並導致失去控制權 — 天津聯盟電競互聯網科技有限公司(「天津聯盟電競」)(續)

於出售日期失去控制權之資產及負債及出售的現金流入概述如下:

失去控制權的資產及負債分析

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	**17,860**
Intangible assets	無形資產	**210**
Interests in associates	於聯營公司的權益	**9,042**
Inventories	存貨	**42**
Trade and other receivables	貿易及其他應收款項	**294,744**
Income tax recoverable	可收回所得稅	**2,096**
Bank balances and cash	銀行結餘及現金	**3,358**
Trade and other payables	貿易及其他應付款項	**(285,391)**
Net assets disposed of	**出售資產淨值**	**41,961**

		RMB'000 人民幣千元
Consideration	或然代價	**4,118**
Non-controlling interests	非控股權益	**12,745**
Net assets disposed of	出售資產淨值	**(41,961)**
Loss on disposal of a subsidiary (note 7)	**出售一家附屬公司之虧損**(附註7)	**(25,098)**

出售事項產生的現金淨流入

		RMB'000 人民幣千元
Consideration	代價	**4,118**
Bank balances and cash disposed of	已出售的銀行結餘及現金	**(3,358)**
		760

35. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of subsidiaries with loss of control — eSports Arena

In August 2018, the Group disposed of 57.44% equity interests in its subsidiary, eSports Arena, resulting in a loss of control over eSports Arena. Upon the disposal, the Group's interest in eSports Arena was reduced to 25%. Accordingly, the investment in eSports Arena was reclassified as interests in an associate.

The assets and liabilities of eSports Arena were deconsolidated from the Group's consolidated statement of financial position and the remaining 25% equity interest in eSports Arena has been accounted for as an associate using equity method. The 25% retained interest in eSports Arena amounting to RMB18,792,000 at the date on which the control was lost is regarded as the cost on initial recognition of the investment in eSports Arena as an associate.

35. 出售附屬公司(續)

(b) 出售附屬公司並導致失去控制權—eSports Arena

於二零一八年八月，本集團出售其附屬公司eSports Arena 57.44%股權，因此失去對eSports Arena的控制權。出售後，本集團於eSports Arena的權益減至25%。因此，於eSports Arena的投資重新分類為於聯營公司的權益。

eSports Arena的資產及負債不再於本集團的綜合財務狀況表中綜合入賬，而於eSports Arena餘下的25%股權已按權益法入賬列作聯營公司。於失去控制權當日，於eSports Arena的25%保留權益人民幣18,792,000元被視為初始確認於eSports Arena(作為聯營公司)的投資成本。

		RMB'000 人民幣千元
Fair value of interest retained	**保留權益的公允值**	**18,792**

Analysis of assets and liabilities over which control was lost

失去控制權的資產及負債分析

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	**31,548**
Goodwill	商譽	**24,067**
Intangible assets	無形資產	**7,755**
Trade and other receivables	貿易及其他應收款項	**23,566**
Bank balances	銀行結餘	**1,260**
Trade and other payables	貿易及其他應付款項	**(59,838)**
Net assets disposed of	**已出售的淨資產**	**28,358**

35. DISPOSAL OF SUBSIDIARIES (Continued)

35. 出售附屬公司(續)

(b) Disposal of subsidiaries with loss of control — eSports Arena (Continued)

(b) 出售附屬公司並導致失去控制權—eSports Arena (續)

		RMB'000 人民幣千元
Fair value of retained interests (Note 16 (d))	保留權益的公允值(附註16(d))	**18,792**
Non-controlling interests	非控股權益	**4,980**
Translation reserve	換算儲備	**989**
Net assets disposed of	已出售的淨資產	**(28,358)**
Loss on disposal of a subsidiary	**出售一家附屬公司之虧損**	**(3,597)**

Net cash outflow arising on disposal of a subsidiary

出售附屬公司產生的現金淨流出

		RMB'000 人民幣千元
Bank balances disposed of	已出售的銀行結餘	**(1,260)**
		(1,260)

35. DISPOSAL OF SUBSIDIARIES (Continued)

(c) Disposal of subsidiaries with loss of control — Beijing Chinese Racing Pigeon

In July 2017, the Group disposed of 12.5% equity interest in its subsidiary, Beijing Chinese Racing Pigeon Sports Culture Development Co., Ltd. ("Beijing Chinese Racing Pigeon") to independent third parties, resulting in a loss of control over Beijing Chinese Racing Pigeon. Upon the disposal, the Group's interest in Beijing Chinese Racing Pigeon was reduced to 42.5%. Accordingly, the investment in Beijing Chinese Racing Pigeon was reclassified as interest in associates.

The assets and liabilities of Beijing Chinese Racing Pigeon were deconsolidated from the Group's consolidated statement of financial position and the remaining 42.5% equity interest in Beijing Chinese Racing Pigeon has been accounted for as an associate using equity method. The fair value of the 42.5% retained interest in Beijing Chinese Racing Pigeon amounting to RMB1,033,000 at the date on which the control was lost is regarded as the cost on initial recognition of the investment in Beijing Chinese Racing Pigeon as an associate.

35. 出售附屬公司(續)

(c) 出售附屬公司並導致失去控制權 — 北京中競鴿

於二零一七年七月，本集團向獨立第三方出售其附屬公司北京中競鴿體育文化發展有限公司(「北京中競鴿」)12.5%的股權，因此失去對北京中競鴿的控制權。出售後，本集團於北京中競鴿的權益減至42.5%。因此，於北京中競鴿的投資重新分類為於聯營公司的權益。

北京中競鴿的資產及負債不再於本集團的綜合財務狀況表中綜合入賬，而於北京中競鴿餘下的42.5%股權已按權益法入賬列作聯營公司。於失去控制權當日，於北京中競鴿的42.5%保留權益之公允值人民幣1,033,000元被視為初始確認於北京中競鴿(作為聯營公司)的投資成本。

		RMB'000 人民幣千元
Fair value of interest retained	**保留權益的公允值**	1,033

35. DISPOSAL OF SUBSIDIARIES (Continued)

35. 出售附屬公司(續)

(c) Disposal of subsidiaries with loss of control — Beijing Chinese Racing Pigeon (Continued)

(c) 出售附屬公司並導致失去控制權 — 北京中競鴿(續)

Analysis of assets and liabilities over which control was lost

失去控制權的資產及負債分析

		RMB'000 人民幣千元
Non-current assets	**非流動資產**	
Property, plant and equipment	物業、廠房及設備	10
Current assets	**流動資產**	
Trade and other receivables	貿易及其他應收款項	1,422
Bank balances	銀行結餘	1,113
Current liabilities	**流動負債**	
Trade and other payables	貿易及其他應付款項	(113)
Net assets disposed of	**已出售的淨資產**	2,432

		RMB'000 人民幣千元
Consideration receivable	應收代價	1,250
Fair value of retained interests (Note 16 (c))	保留權益的公允值(附註16(c))	1,033
Non-controlling interests	非控股權益	(1,381)
Net assets disposed of	已出售的淨資產	(2,432)
Loss on disposal of a subsidiary	**出售一間附屬公司的虧損**	(1,530)

Net cash outflow arising on disposal of a subsidiary

出售附屬公司產生的現金流出淨額

		RMB'000 人民幣千元
Consideration received (note)	已收取代價(附註)	—
Bank balances disposed of	已出售的銀行結餘	(1,113)
		(1,113)

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

36. 融資活動產生的負債對賬

本集團融資活動產生的負債變動分類如下：

		Amount due to an associate 應付一間聯營公司款項		Convertible notes 可換股票據	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	**2018 二零一八年 RMB'000 人民幣千元**	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	**—**	—	**—**	—
Cash-flows:	現金流量：				
— Proceeds	—所得款項	**850**	—	**68,632**	104,076
— Repayment	—還款	**(10)**	—	**—**	—
Non-cash:	非現金：				
— Conversion to ordinary shares	—轉換為普通股	**—**	—	**—**	(104,076)
— Fair value changes of convertible notes	—可換股票據公允值變動	**—**	—	**1,691**	—
At 31 December	於十二月三十一日	**840**	—	**70,323**	—

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the Board.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

37. 財務風險管理及公允值計量

本集團於日常業務過程及投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險(包括外匯風險、利率風險及價格風險)、信貸風險及流動資金風險。本集團的整體風險管理策略旨在將對本集團財務表現的潛在不利影響降至最低。風險管理乃由本集團高級管理層執行並經董事會批准。

本集團就財務工具承擔的風險類別或其管理與計量有關風險的方式並無任何改變。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(a) Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities.

(a) 金融資產與負債分類

綜合財務狀況表所列賬面金額與下列金融資產與金融負債分類有關。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	**金融資產**		
Loans and receivables	貸款及應收款項		
Loans to associates	給予聯營公司的貸款	—	29,111
Loans to third parties	給予第三方的貸款	—	73,165
Other non-current receivable	其他非流動應收款項	—	39,128
Trade and other receivables	貿易及其他應收款項	—	353,291
Bank balances and cash	銀行結餘及現金	—	247,366
Financial assets at amortised cost	按攤銷成本列賬的金融資產		
Loans to associates	給予聯營公司的貸款	**1,756**	—
Loans to third parties	給予第三方的貸款	**72,084**	—
Trade and other receivables	貿易及其他應收款項	**133,409**	—
Bank balances and cash	銀行結餘及現金	**162,674**	—
Financial assets at FVTPL/Available-for-sale financial assets	按公允值計入損益的金融資產／可供出售金融資產	**109,068**	174,344
		478,991	916,405
Financial liabilities	**金融負債**		
Financial liabilities at amortised cost	按攤銷成本列賬的金融負債		
Trade and other payables	貿易及其他應付款項	**95,547**	87,287
Other non-current payable	其他非流動應付款項	**—**	39,128
Financial liabilities at FVTPL	按公允值計入損益的金融負債		
Contingent consideration payables	應付或然代價	**40,948**	3,328
Convertible notes	可換股票據	**70,323**	—
		206,818	129,743

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(b) Foreign currency risk

The Group's subsidiaries mainly operate in the PRC and in the US and majority of the transactions are settled in RMB, USD or EUR, being the functional currency of the group entities to which the transactions relate. Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. As at 31 December 2018 and 2017, the Group did not have significant foreign currency risk from its operations.

Financial assets denominated in a foreign currency, translated into RMB at the closing rates, are as follows:

(b) 外匯風險

本集團的附屬公司主要於中國及美國經營，且其大部分交易以人民幣、美元或歐元結算，其為交易相關的集團實體的功能貨幣。外匯風險來自以並非為實體功能貨幣的貨幣計值的未來商業交易及經確認資產及負債。於二零一八年及二零一七年十二月三十一日，本集團業務並無重大外匯風險。

以外幣計值、按收市匯率換算為人民幣的金融資產如下：

		2018 二零一八年			
		USD 美元 RMB'000 人民幣千元	EUR 歐元 RMB'000 人民幣千元	HK$ 港元 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Bank balances and cash	銀行結餘及現金	**7,588**	**369**	**7,261**	**15,218**
Gross exposure arising from recognised financial assets	已確認金融資產產生的全部風險	**7,588**	**369**	**7,261**	**15,218**

		2017 二零一七年			
		USD 美元 RMB'000 人民幣千元	EUR 歐元 RMB'000 人民幣千元	HK$ 港元 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Bank balances and cash	銀行結餘及現金	12,465	1,801	50,539	64,805
Gross exposure arising from recognised financial assets	已確認金融資產產生的全部風險	12,465	1,801	50,539	64,805

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(b) Foreign currency risk (Continued)

The following table illustrates the sensitivity of the Group's loss after income tax for the year and equity in regard to a 5% (2017: 5%) appreciation in the Group's functional currency against RMB. The rate used represents management's best assessment of the possible change in foreign exchange rates.

37. 財務風險管理及公允值計量(續)

(b) 外匯風險(續)

下表列示就本集團功能貨幣兑人民幣升值5%(二零一七年:5%)而言,本集團年內除所得稅後虧損以及權益的敏感性。所使用匯率指管理層對外匯匯率可能變動作出的最佳估計。

		2018 二零一八年 RMB'000 人民幣千元
Increase in loss for the year and equity	年內虧損及權益增加	**(571)**

		2017 二零一七年 RMB'000 人民幣千元
Increase in loss for the year and equity	年內虧損及權益增加	(2,430)

The same % depreciation in the Group's functional currency against the respective foreign currency would have the same magnitude on the Group's loss after income tax for the year and equity but of opposite effect.

本集團的功能貨幣兑相關外幣貶值同等百分比時,將對本集團年內除所得稅後虧損及權益構成等值但相反的影響。

The Group does not hedge its foreign currency risk. However, management monitors the foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

本集團並無對沖外匯風險。然而,管理層監督外匯風險,並於有需要時考慮對沖重大外匯風險。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Interest rate risk

Other than the interest-bearing bank deposits, the Group has no other significant interest-bearing assets bearing variable rates. The directors of the Company do not anticipate there is any significant impact to these interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

(d) Price risk

The Group is not exposed to significant price risk for the Group's unlisted equity investments that do not have a quoted market price in an active market.

(e) Credit risk

The Group is exposed to credit risk in relation to its bank balances and cash, trade and other receivables and loans to associates and third parties.

The carrying amounts of each class of the financial assets as summarised in Note 37(a) above represent the Group's maximum exposure to credit risk in relation to financial assets. To manage this risk arising from bank balances and cash, the Group only transacts with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions in the PRC, Hong Kong and the US. There has been no recent history of default in relation to these financial institutions.

Effective on 1 January 2018

Trade receivables

The Group's policy is to deal only with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods and provision of services. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

37. 財務風險管理及公允值計量(續)

(c) 利率風險

除計息銀行存款外，本集團並無其他以浮動利率計息的重大資產。本公司董事預期利率變動不會對計息資產構成任何重大影響，原因是預期銀行結餘的利率將不會發生大幅變動。

(d) 價格風險

本集團並未就本集團於活躍市場並無市場報價的股本投資承擔重大價格風險。

(e) 信貸風險

本集團的信貸風險主要關於銀行結餘及現金、貿易及其他應收款項以及給予聯營公司及第三方之貸款。

上述附註37(a)所概述各類金融資產的賬面值為本集團有關金融資產所承擔的最大信貸風險。為管理來自銀行結餘及現金的風險，本集團僅與國有金融機構及聲譽良好的商業銀行(均為中國、香港及美國的高信貸質素金融機構)進行交易。該等金融機構並無近期違規記錄。

於二零一八年一月一日起生效

貿易應收款項

本集團的政策為僅與信譽良好的對手方進行交易。授予新客戶的信貸期對新客戶進行信用評估後授出。於適當情況下，客戶或會被要求提供其財務狀況的證明文件。倘能以合理成本獲取，則會獲取及使用客戶報告。不被視為信用良好的客戶須預先付款或於收貨及提供服務時付款。客戶的付款記錄會受到密切監察。向客戶索取抵押品並非本集團的政策。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(e) Credit risk (Continued)

Effective on 1 January 2018 (Continued)

Trade receivables (Continued)

In addition, as set out in note 2.10, the Group assesses ECL under IFRS 9 on trade receivables based on provision matrix, the expected loss rates are based on the payment profile for sales in the past years as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments generally within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis, the ECL for trade receivables as at 31 December 2018 and 1 January 2018 was determined as follows:

37. 財務風險管理及公允值計量(續)

(e) 信貸風險(續)

於二零一八年一月一日起生效(續)

貿易應收款項(續)

此外，如附註2.10所載，本集團按撥備矩陣根據國際財務報告準則第9號評估貿易應收款項的預期信貸虧損，預期虧損率基於過往年度的銷售支付概況以及於該期間相應的過往信貸虧損。歷史利率予以調整，以反映影響客戶結算未償還金額能力的當前及未來的宏觀經濟因素。於各報告日期會更新歷史違約率，並分析前瞻性估計變動。然而，鑒於承受信貸風險的時間頗短，該等宏觀經濟因素的影響於報告期間內被視為並不重大。

倘合理預期未能收回，則撇銷貿易應收款項(即終止確認)。一般而言，未能於發票日期後180日內支付款項及未能與本集團進行其他付款安排等，會被視為合理預期未能回收的跡象。

基於上述，於二零一八年十二月三十一日及二零一八年一月一日的貿易應收款項預期信貸虧損釐定如下：

As at 31 December 2018 **於二零一八年十二月三十一日**

		Current 流動	Within 1 year 1年內	1 to 2 years 1至2年	2 to 3 years 2至3年	Total 總計
ECL rate	預期信貸虧損率	1%	5%	20%	30%	—
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Gross carrying amount — trade receivables	賬面總值 — 貿易應收款項	6,566	56,707	11,487	664	75,424
Lifetime ECL	全期預期信貸虧損	66	2,835	2,297	199	5,397
Individually impaired receivables	個別減值應收款項					38,644
						44,041

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(e) Credit risk (Continued)

Effective on 1 January 2018 (Continued)

Trade receivables (Continued)
As at 1 January 2018

		Current 流動	Within 1 year 1年內	1 to 2 years 1至2年	2 to 3 years 2至3年	Total 總計
ECL rate	預期信貸虧損率	1%	5%	10%	20%	—
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Gross carrying amount — trade receivables	賬面總值 一貿易應收款項	88,380	99,768	26,544	664	215,356
Lifetime ECL	全期預期信貸虧損	884	4,988	2,654	133	8,659
Individually impaired receivables	個別減值應收款項					8,819
						17,478

Other financial assets at amortised cost

In order to minimise the credit risk of other financial assets at amortised cost, the management would make periodic collective and individual assessment on the recoverability of other financial assets based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of other receivables, loans to associates and third parties are considered to be low.

After considering the factors as set out in note 2.10, the management is of opinion that there has been a significant increase in credit risk on certain other receivables, loans to associates and third parties balances since initial recognition. The Group recognises lifetime ECL on the other receivables, loans to associates and third parties with significant increase in the likelihood or risk of default occurring since initial recognition. For remaining other receivables, loans to associates and third parties, there is no significant increase in credit risk since initial recognition as the risk of default is low and, thus, ECL recognised is based on 12-month ECL.

37. 財務風險管理及公允值計量(續)

(e) 信貸風險(續)

於二零一八年一月一日起生效(續)

貿易應收款項(續)
於二零一八年一月一日

其他按攤銷成本列賬的金融資產

為將其他按攤銷成本列賬的金融資產的信貸風險減至最低，管理層將根據歷史結算記錄及過往經驗以及當前外部資料，定期就其他金融資產的可收回性作出共同及個別評估。管理層亦執行其他監察程序，確保採取跟進行動，以收回逾期債務。就此而言，其他應收款項、給予聯營公司及第三方之貸款的信貸風險被視為偏低。

於考慮附註2.10所載因素後，管理層認為，若干其他應收款項、給予聯營公司及第三方之貸款結餘的信貸風險自初步確認以來顯著增加。本集團根據自初步確認以來出現違約的可能性或風險顯著上升而就其他應收款項、給予聯營公司及第三方之貸款確認全期預期信貸虧損。就餘下其他應收款項、給予聯營公司及第三方之貸款而言，由於違約風險甚低，信貸風險自初步確認以來並無顯著增加，故此按十二個月預期信貸虧損確認預期信貸虧損。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(e) Credit risk (Continued)

Effective before 1 January 2018

Trade receivables at the end of the year were due from distribution channels and payment vendors in cooperation with the Group. If the strategic relationship with the distribution channels and payment vendors is terminated or scaled-back; or if the distribution channels and payment vendors alter the cooperative arrangements; or if they experience financial difficulties in paying the Group, the Group's trade receivables might be adversely affected in terms of recoverability.

To manage this risk, the Group maintains frequent communications with the distribution channels and payment vendors to ensure the effective credit control. In view of the history of cooperation with the distribution channels and payment vendors and the sound collection history of receivables due from them, the directors of the Company believe that the credit risk inherent in the Group's outstanding trade receivable balances due from the distribution channels and payment vendors is low.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

For the loans to third parties, management makes periodic individual assessment on the recoverability of the amounts and follow up on an ongoing basis. The loans were secured by unlisted equity interests in companies incorporated in the PRC. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of the loans to third parties.

37. 財務風險管理及公允值計量(續)

(e) 信貸風險(續)

於二零一八年一月一日前生效

於年末的貿易應收款項均來自與本集團合作的分銷渠道及支付供應商。倘與分銷渠道及支付供應商的戰略關係終止或規模削減；或倘分銷渠道及支付供應商更改合作安排；或倘彼等於向本集團付款時面臨財務困難，則本集團貿易應收款項的可收回性可能受到不利影響。

為管理有關風險，本集團與分銷渠道及支付供應商保持緊密聯繫，以確保有效的信貸控制。鑒於與分銷渠道及支付供應商的過往合作以及彼等的付款記錄良好，本公司董事相信，本集團應收分銷渠道及支付供應商的所欠貿易應收款項結餘的信貸風險較低。

就其他應收款項而言，管理層根據歷史結算記錄及過往經驗就其他應收款項的可收回性定期作出共同評估及個別評估。本公司董事認為，本集團尚未收回的其他應收款項結餘本身並無重大信貸風險。

就給予第三方之貸款而言，管理層在可回收金額及在持續跟進基礎上定期進行單獨評估。該等貸款由在中國註冊成立的公司之非上市權益擔保。本公司董事認為，本集團借予第三方之尚未償還之貸款結餘本身並無重大信貸風險。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(f) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by maintaining adequate cash and cash equivalents.

As at 31 December 2018 and 2017, the Group's remaining contractual maturities for its financial liabilities are mainly within one year. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

As at 31 December 2018

37. 財務風險管理及公允值計量(續)

(f) 流動資金風險

穩健的流動資金風險管理旨在維持充裕現金及現金等價物。由於有關業務的動態性質，本集團通過維持足夠現金及現金等價物以維持資金的靈活性。

於二零一八年及二零一七年十二月三十一日，本集團的金融負債餘下合約主要於一年內到期。當債權人可選擇負債結算的時間，該負債按本集團可被要求付款的最早日期列賬。當負債是以分期方式結算，每期被分配至本集團承諾支付的最早時期。

根據金融負債之未貼現現金流量的合約到期分析如下。

於二零一八年十二月三十一日

		Within 1 year on demand 於一年內按要求 RMB'000 人民幣千元	Over 1 year but within 5 years 一年以上五年以內 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	**非衍生金融負債**				
Trade and other payables	貿易及其他應付款項	**95,547**	**—**	**—**	**95,547**
Contingent consideration payables	應付或然代價	**40,984**	**—**	**—**	**40,984**
Convertible Notes	可換股票據	**70,323**	**—**	**—**	**70,323**
		206,854	**—**	**—**	**206,854**

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(f) Liquidity risk (Continued)

(f) 流動資金風險(續)

As at 31 December 2017

於二零一七年十二月三十一日

		Within 1 year on demand 於一年內按要求 RMB'000 人民幣千元	Over 1 year but within 5 years 一年以上五年以內 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	**非衍生金融負債**				
Trade and other payables	貿易及其他應付款項	87,518	—	—	87,518
Contingent consideration payables	應付或然代價	3,328	—	—	3,328
Other non-current payable	其他非流動應付款項	38,872	256	—	39,128
		129,718	256	—	129,974

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(g) Fair value measurements

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

37. 財務風險管理及公允值計量(續)

(g) 公允值計量

下表根據公允值層級列示綜合財務狀況表中按公允值計量的金融資產及負債。該層級根據用於計量該等金融資產及負債的公允值的重大輸入數據的相對可靠性將金融資產及負債分為三個級別。公允值層級如下：

第一層級： 同類資產及負債於活躍市場的報價(未經調整)；

第二層級： 除第一級計入的報價外，自資產或負債可直接(即價格)或間接(自價格衍生)觀察的輸入數據；及

第三層級： 並非基於可觀察市場數據(即不可觀察輸入數據)的資產或負債的輸入數據。

根據對公允值計量有重大影響的輸入數據的最低層級按公允值層級將金融資產或金融負債全面加以分類。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(g) Fair value measurements (Continued)

(g) 公允值計量(續)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

綜合財務狀況表中按公允值計量的金融資產及負債被分為如下公允值層級：

2018 **二零一八年**

		Note 附註	Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Assets	**資產**					
Financial assets at FVTPL	按公允值計入損益的金融資產					
Unlisted equity investments	非上市股本投資	(a)	—	—	95,782	95,782
Unlisted debt investments	非上市債務投資	(b)	—	—	13,286	13,286
			—	—	109,068	109,068
Liabilities	**負債**					
Financial liabilities at FVTPL	按公允值計入損益的金融負債					
Contingent consideration payables	應付或然代價	(d)	—	—	40,948	40,948
Convertible notes	可換股票據	(e)	—	—	70,323	70,323
			—	—	111,271	111,271
Net fair values	公允值淨值		—	—	(2,203)	(2,203)

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(g) Fair value measurements (Continued)

(g) 公允值計量(續)

2017

二零一七年

		Note 附註	Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Assets	**資產**					
Available-for-sale financial assets	可供出售金融資產					
Unlisted trust funds	非上市信託基金	(c)	–	20,000	–	20,000
Liabilities	**負債**					
Financial liabilities at FVTPL	按公允值計入損益的金融負債					
Contingent consideration payables	應付或然代價	(d)	–	–	3,328	3,328
Net fair values	公允值淨值		–	20,000	3,328	23,328

During the year ended 31 December 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2017: nil).

截至二零一八年十二月三十一日止年度，第一層級與第二層級之間並無轉撥，亦無轉入或轉出第三層級(二零一七年：無)。

Notes:

附註：

(a) Unlisted equity investments

The fair value of unlisted equity investments is determined with reference to combinations of various factors including net assets values of the unlisted equity investments. The fair value measurement is positively correlated to the factors including net assets values.

(a) 非上市股本投資

非上市股本投資的公允值乃經參考非上市股本投資的資產淨值等多項因素的合併影響而釐定。公允值計量與資產淨值等因素有正比關係。

(b) Unlisted debt investments

The fair value of unlisted debt investments is determined by reference to combinations of various factors including the net asset values of the underlying investment.

(b) 非上市債務投資

非上市債務投資的公允值乃經參考相關投資的資產淨值等多項因素的合併影響而釐定。

(c) Unlisted trust funds

The fair value of unlisted trust funds is determined by reference to the net asset value of the underlying investment in the equity fund.

(c) 非上市信託基金

非上市信託基金的公允值乃經參考於股權基金相關投資的資產淨值而釐定。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(g) Fair value measurements (Continued)

(g) 公允值計量(續)

Notes: (Continued)

附註:(續)

(d) Contingent consideration payables

(d) 應付或然代價

The information about the fair value of contingent consideration payables categorised under Level 3 fair value hierarchy are described below:

有關公允值第三層級項下的應付或然代價公允值的資料如下:

As at 31 December 2018

於二零一八年十二月三十一日

	Valuation technique 估值方法	Unobservable input 不可觀察數據	Range 範圍
Profit guarantees 溢利擔保	**Discounted cash flows 貼現現金流量**	**Probability of meeting target 達成目標的概率**	**20% to 30% 20%至30%**
Further acquisition option 進一步收購期權	**Polynomial option pricing model 多項式期權定價模式**	**Spot price, volatility 現貨價,波幅**	**n/a 不適用**

As at 31 December 2017

於二零一七年十二月三十一日

	Valuation technique 估值方法	Unobservable input 不可觀察數據	Range 範圍
Profit guarantees 溢利擔保	Discounted cash flows 貼現現金流量	Probability of meeting target 達成目標的概率	30% 30%
Further acquisition option 進一步收購期權	Polynomial option pricing model 多項式期權定價模式	Spot price, volatility 現貨價,波幅	n/a 不適用

The fair value of contingent consideration payables of profit guarantees (note 25) is estimated using present value technique.

溢利擔保的應付或然代價公允值(附註25)乃使用現值方法估計。

As at 31 December 2018, the fair value of RMB40,948,000 (2017: RMB906,000) is estimated by the probability weighting the estimated future cash flows of the earn-out arrangement and taken into account the discounting effect of maturity over one year.

於二零一八年十二月三十一日,公允值人民幣40,948,000元(二零一七年:人民幣906,000元)乃通過結果安排的估計未來現金流量的加權可能性及經計及到期日超過一年的貼現影響後估計。

The fair value of contingent consideration payable for further acquisition option (Note 25) is estimated using present value technique.

進一步收購期權的應付或然代價公允值(附註25)乃使用現值方法估計。

As at 31 December 2017, the fair value of RMB2,422,000 is estimated by the option pricing model. No discounting effect is considered given the short term of maturity of one year.

於二零一七年十二月三十一日,公允值人民幣2,422,000元乃通過期權定價模式估計。鑒於短期到期日為一年,故並未考慮貼現影響。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(g) Fair value measurements (Continued)

(g) 公允值計量(續)

Notes: (Continued)

附註:(續)

(d) Contingent consideration payables (Continued)

An increase in the probability of meeting the target would increase the fair value of the contingent consideration.

(d) 應付或然代價(續)

倘達成目標的概率增加,或然代價的公允值會增加。

(e) Convertible notes

As at 31 December 2018

(e) 可換股票據

於二零一八年十二月三十一日

	Valuation technique 估值方法	Unobservable input 不可觀察數據	Range 範圍
Convertible notes 可換股票據	**Market comparable companies 市場可資比較公司**	**Discount of lack of marketability 缺乏市場流通性折讓**	**12.3% to 12.8% 12.3%至12.8%**
		Volatility 波幅	**85.4% to 111.5% 85.4%至111.5%**

An increase in the discount for lack of marketability would decrease the fair value.

倘缺乏市場流通性折讓增加,公允值會下降。

The reconciliation of the carrying amounts of the Groups's financial instruments classified within Level 3 of the fair value hierarchy is as follows:

分類為公允值層級第三級內的本集團金融工具賬面值對賬如下:

		2018 二零一八年 RMB'000 人民幣千元
Unlisted equity investments	**非上市股權投資**	
Balance at 1 January	於一月一日的結餘	**154,344**
Effect on adoption of IFRS 9	採納國際財務報告準則第9號的影響	**(70,652)**
Reclassification to financial asset at amortised cost	重新分類為按攤銷成本列賬的金融資產	**(6,883)**
Additions	添置	**18,080**
Disposals	出售	**(4,839)**
Fair value changes recognised in profit or loss	於損益確認的公允值變動	**5,732**
Fair value at 31 December	於十二月三十一日的公允值	**95,782**

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

37. 財務風險管理及公允值計量(續)

(g) Fair value measurements (Continued)

(g) 公允值計量(續)

		2018 二零一八年 RMB'000 人民幣千元
Unlisted debt investments	**非上市債務投資**	
Fair value at 1 January	於一月一日的公允值	**—**
Reclassification from loan to third parties	重新分類為給予第三方的貸款	**10,890**
Fair value changes recognised in profit or loss	於損益確認的公允值變動	**2,396**
Fair value at 31 December	於十二月三十一日的公允值	**13,286**

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Unlisted trust funds	**非上市信託基金**		
Fair value at 1 January	於一月一日的公允值	**20,000**	70,000
Additions	添置	**20,000**	20,000
Disposals	出售	**(40,000)**	(70,000)
Fair value at 31 December	於十二月三十一日的公允值	**—**	20,000

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contingent consideration payables	**應付或然代價**		
Fair value at 1 January	於一月一日的公允值	**3,328**	18,889
Fair value of contingent consideration payables arising from acquisition of subsidiaries (Note 34(a) and note 34(c))	自收購附屬公司產生的應付或然代價公允值(附註34(a)及附註34(c))	**113,150**	906
Fair value of contingent consideration payables arising from disposal of an associated (Note 16(b))	自處置聯營公司產生的應付或然代價的公允值(附註16(b))	**—**	2,422
Release upon settlement	於償付時解除	**—**	(12,016)
Transferred to other receivables (Note 18)	轉撥至其他應收款項(附註18)	**18,426**	—
Transferred to other payables (Note 22)	轉撥至其他應付款項(附註22)	**(48,624)**	—
Fair value changes recognised in profit or loss	於損益確認的公允值變動	**(45,332)**	(6,873)
Fair value at 31 December	於十二月三十一日的公允值	**40,948**	3,328

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(g) Fair value measurements (Continued)

37. 財務風險管理及公允值計量(續)

(g) 公允值計量(續)

		2018 二零一八年 RMB'000 人民幣千元
Convertible notes	**可換股票據**	
Fair value at 1 January	於一月一日的公允值	—
Issue of 2018 Convertibles Notes	發行二零一八年可換股票據	68,632
Fair value changes recognised in profit or loss	於損益確認的公允值變動	1,691
Fair value at 31 December	於十二月三十一日的公允值	70,323

Fair value gain or loss on unlisted equity investments, unlisted debt investments and unlisted trust funds are recognised in profit or loss and included under "Fair value changes of financial assets at fair value through profit or loss".

Fair value gain or loss on contingent consideration payables is recognised in profit or loss and included under "Fair value changes of contingent consideration payables".

Fair value gain or loss on convertible notes is recognised in profit or loss and included under "Fair value changes of convertible notes".

非上市股權投資、非上市債務投資及非上市信託基金的公允值收益或虧損於損益確認，並計入「按公允值計入損益之金融資產之公允值變動」。

應付或然代價的公允值收益或虧損於損益確認，並計入「應付或然代價之公允值變動」。

可換股票據的公允值收益或虧損於損益確認，並計入「可換股票據之公允值變動」。

38. CAPITAL MANAGEMENT

The objectives of the Group when managing capital are to safeguard the ability of the Group in continuing as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group monitors capital by regularly reviewing the capital structure. As part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, issue new shares, repurchase the Company's shares or sell assets to reduce debts.

38. 資本管理

本集團的資本管理目標為保障本集團的持續經營能力，藉以回報股東及為其他權益持有人提供利益，並維持最佳資本結構以提升股東長遠價值。

本集團通過定期檢討資本架構以監察資本。作為該檢討的一部分，本公司董事考慮資金成本及有關已發行股本的風險。本集團可調整向股東派付的股息金額、發行新股份、購回本公司股份或出售資產來減少債務。

39. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES INCLUDED IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

During the year ended 31 December 2018, the Group decided to reorganise the PC Business under the Lianzhong Group which will effectively result in the disposal of Beijing Lianzhong Co., Ltd and the divested businesses and on 15 August 2018, the Group entered into the reorganisation agreement.

For the years ended 31 December 2018 and 2017, results of the PC Business under the Lianzhong Group were presented as a single line item of "discontinued operations" in the consolidated statement of profit or loss and other comprehensive income. The results of discontinued operations are as follows:

39. 已終止經營業務以及計入分類為持作出售的出售組別的資產及負債

截至二零一八年十二月三十一日止年度，本集團決定重組聯眾集團項下的PC業務(將有效導致出售北京聯眾互動網絡股份有限公司及剝離業務)，且於二零一八年八月十五日，本集團已訂立重組協議。

截至二零一八年及二零一七年十二月三十一日止年度，聯眾集團項下的PC業務的業績於綜合損益及其他全面收益表中呈列為「已終止經營業務」的單獨項目。已終止經營業務的業績如下：

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	**收入**		**45,803**	239,267
Cost of revenue	收入成本		**(16,403)**	(32,262)
Gross profit	**毛利**		**29,400**	207,005
Other income	其他收入		**854**	752
Selling and marketing expenses	銷售及市場推廣費用		**(12,666)**	(43,335)
Administrative expenses	行政開支		**(63,550)**	(46,883)
Impairment of assets	資產減值	40	**(127,610)**	—
(Loss)/Profit before income tax	**除所得稅前(虧損)/溢利**		**(173,572)**	117,539
Income tax expense	所得稅開支		**—**	(1,663)
(Loss)/Profit for the year from discontinued operations	**年內已終止經營業務的(虧損)/溢利**		**(173,572)**	115,876

39. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES INCLUDED IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

39. 已終止經營業務以及計入分類為持作出售的出售組別的資產及負債(續)

As at 31 December 2018, the assets and liabilities related to PC Business under the Lianzhong Group were presented as single line items of "disposal group classified as held for sale". The assets and liabilities were as follows:

於二零一八年十二月三十一日，有關聯眾集團項下PC業務的資產及負債呈列為「分類為持作出售的出售組別」的單獨項目。資產及負債如下：

		As at 31 December 2018 於二零一八年十二月三十一日 RMB'000 人民幣千元
Current assets	**流動資產**	
Trade and other receivables	貿易及其他應收款項	**45,295**
Current liabilities	**流動負債**	
Trade and other payables	貿易及其他應付款項	**16,558**
Net assets included in disposal group classified as held for sale	**計入分類為持作出售的出售組別的資產淨值**	**28,737**

The cash flows of discontinued operations are as follows:

已終止經營業務現金流量如下：

		2018 二零一八年 RMB'000 人民幣千元
Net cash flows used in operating activities	經營活動所用現金流量淨額	**(55,675)**
Net cash flows used in investing activities	投資活動所用現金流量淨額	**—**
Net cash flows used in financing activities	融資活動所用現金流量淨額	**—**
Net cash outflows	淨現金流出	**(55,675)**

40. IMPAIRMENT OF ASSETS

40. 資產減值

		Notes 附註	Continuing operations 持續經營業務 RMB'000 人民幣千元	Discontinued operations 已終止經營業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Intangible assets	無形資產	13	65,781	59,606	125,387
Goodwill	商譽	14	28,170	—	28,170
Interests in associates	於聯營公司的權益	16	57,568	—	57,568
Loans to associates	給予聯營公司的貸款	19	35,379	—	35,379
Loans to third parties	給予第三方的貸款	19	5,218	—	5,218
Trade and other receivables	貿易及其他應收款項	18	38,853	68,004	106,857
Total	**總計**		230,969	127,610	358,579

As disclosed in note 39, the Group decided to reorganise the PC Business under the Lianzhong Group. The assets in disposal group classified as held for sale have been written down to fair value less costs to sell, which is categorised under Level 2 of the fair value hierarchy with reference to the consideration of disposal of PC Business.

誠如附註39所披露，本集團決定重組聯眾集團旗下的PC業務。計入分類為持作出售的出售組別的資產已按公允值減銷售成本撇減，其經參考出售PC業務的代價後獲分類為公允值層級的第二層級。

For continuing operations in the PRC, the Group continues to face regulatory headwinds in the same business of highly challenging conditions. Accordingly, impairment losses were provided on the various assets in PRC in the remaining group, with reference to the recoverable amount determined based on value in use of respective assets which were close to zero.

就中國的持續經營業務而言，本集團在極具挑戰環境下持續面臨相關業務的監管阻力。因此，經參考根據相關資產近乎為零的使用價值而釐定的可收回金額後，已就餘下組別於中國的多項資產作出減值虧損撥備。

聯眾國際控股有限公司

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