FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: CINS Holding Corp. (the "Issuer").

Trading Symbol: CHD

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

The Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 are attached.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

See Note 12 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2014, a copy of which is attached.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

No securities were issued during the quarter ended **September 30, 2014**.

(b) summary of options granted during the period,

No options were issued during the quarter ended **September 30, 2014**.

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

500,000,000 common shares with par value of US$0.0001

(b) number and recorded value for shares issued and outstanding,

Common shares issued and outstanding as at September 30, 2014: 21,664,902

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

	Number	Exercise or Conversion price	Expiry date
Options	1,204,500	$0.10	March 1, 2018
Special warrants	63,131,687	N/A	August 31, 2015

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at September 30, 2014, the Company had 4,617,098 common shares held in escrow.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Chung Yan Lee	Chief Executive Officer, Chairman, and Director
Bruce Lee	President and Director
Sheng Wang	Chief Financial Officer, Corporate Secretary, Director
George Dorin	Director
Stephen So	Director
Shu Wai Chan	Director
Man Chik Lam	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The Company's Management Discussion & Analysis for the three and nine months ended September 30, 2014 is attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated December 1, 2014

Chung Yan Lee
Name of Director or Senior Officer

"Chung Yan Lee"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer: CINS Holding Corp.	For Quarter Ended September 30, 2014	Date of Report YY/MM/DD 14/12/01
Issuer Address: Room 703, Kowloon Building, 555 Nathan Road, Kowloon		
City/Province/Postal Code Hong Kong	Issuer Fax No. (604) 909-4701	Issuer Telephone No. +852-9059 8161
Contact Name Bruce Lee	Contact Position President	Contact Telephone No. +852-9059 8161
Contact Email Address brucelee@cins.asia	Web Site Address www.cins.asia	

CINS Holding Corp.
(formerly Genius World Investments Limited)

Condensed Interim Consolidated Financial Statements
(UNAUDITED – Prepared by Management)

For the three and nine months ended September 30, 2014

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements for the three and nine months ended September 30, 2014 and 2013 have been prepared by the management in accordance with International Financial Reporting Standards and approved by the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company’s independent auditors.

INDEX

CINS HOLDING CORP.

(formerly Genius World Investments Limited)
Condensed Interim Consolidated Statements of Financial Position
(in Canadian Dollars)
(Unaudited – Prepared by Management)

	September 30, 2014	December 31, 2013
	$	$
Assets		
Current assets:		
Cash and cash equivalents	**31,937**	6,785
Prepayments and deposits (Note 8)	**1,342**	12,102
	33,279	18,887
Property and equipment (Note 7)	**3,027**	4,564
	36,306	23,451
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	**131,548**	204,297
Due to related parties (Note 12)	**667,046**	1,352,344
	798,594	1,556,641
Shareholders' equity		
Common shares (Note 11)	**2,167**	2,139
Additional paid-in capital (Note 11)	**2,476,891**	1,087,823
Share option and warrants reserve (Note 11)	**264,748**	244,953
Currency translation reserve	**(131,953)**	(106,561)
Accumulated deficit	**(3,374,141)**	(2,761,544)
	(762,288)	(1,533,190)
	36,306	23,451

Nature of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent event (Note 14)

Approved by the Board of Directors:

"Chung Yan Lee"   *"Sheng Wang"*

Chung Yan Lee, Director   Sheng Wang, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CINS HOLDING CORP.

(formerly Genius World Investments Limited)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$	$	**$**	$
Service fee revenue	**-**	6,636	**-**	10,685
Expenses				
Selling expenses	**-**	8,066	**-**	16,204
Salaries, director fee and benefits	**150,973**	113,915	**493,352**	498,010
Amortization	**552**	465	**1,667**	1,553
Share-based payments	**4,930**	21,191	**19,795**	75,777
Professional fees	**-**	-	**42,000**	55,529
Rent and utilities	**-**	11,732	**30,440**	52,904
Office expenses	**337**	4,941	**2,244**	9,139
Travel and entertainment	**-**	2,262	**3,555**	12,790
Vehicle and transportation	**62**	355	**541**	925
Filing, transfer agent and business license	**3,014**	4,000	**14,028**	16,665
Other expenses	**26**	2,471	**3,630**	5,991
Bank charges	**320**	325	**1,345**	1,458
Foreign exchange loss	**-**	-	**-**	20
Total operating expenses	**(160,214)**	(169,723)	**(612,597)**	(746,965)
Operating loss before interest income	**(160,214)**	(163,087)	**(612,597)**	(736,280)
Interest income	**-**	4	**-**	8
Net loss	**(160,214)**	(163,083)	**(612,597)**	(736,272)
Other comprehensive loss				
Exchange gain (loss) on translation	**(36,699)**	13,154	**(25,392)**	(48,746)
Total comprehensive loss for the period	**(196,913)**	(149,929)	**(637,989)**	(785,018)
Loss per share - basic and diluted	**(0.01)**	(0.01)	**(0.03)**	(0.03)
Weighted average number of shares	**21,664,902**	21,387,083	**21,522,928**	21,387,083

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CINS HOLDING CORP.
(formerly Genius World Investments Limited)
Condensed Interim Consolidated Statements of Cash Flows
(in Canadian Dollars)
(Unaudited – Prepared by Management)

	Nine months ended September 30,	
	2014	2013
	$	$
Cash provided by (used in):		
Operations:		
Net loss for the year	**(612,597)**	(736,272)
Adjustments to reconcile loss to net cash used in operating activities		
Amortization	**1,667**	1,553
Share-based payments	**19,795**	75,777
Change in non-cash working capital balances:		
Prepayments and deposits	**10,913**	27,371
Accounts receivable	**-**	199
Due from a related party	**-**	33,160
Due to related parties	**(719,993)**	456,048
Accounts payable and accrued liabilities	**(78,243)**	123,841
	(1,378,458)	(18,323)
Investing:		
Property and equipment	**-**	(598)
Financing:		
Conversion of debt	**1,389,096**	-
	1,389,096	-
Effect of foreign exchange on cash and cash equivalents	**14,514**	2,989
Change in cash and cash equivalents	**25,152**	(15,932)
Cash and cash equivalents, beginning of period	**6,785**	17,702
Cash and cash equivalents, end of period	**31,937**	1,770
Supplemental Cash Flow Information		
Interest paid	**-**	-
Income taxes paid	**-**	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CINS HOLDING CORP.
(formerly Genius World Investments Limited)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of shares	Number of special warrants	Share capital	Additional paid-in capital	Share option and warrant reserve	Accumulated other comprehensive income (loss)	Deficit	Total
			$	$	$	$	$	$
Balance, December 31, 2012	21,387,083	63,131,687	2,139	1,057,823	169,688	(20,123)	(1,729,839)	(520,312)
Share option reserve	-	-	-	-	75,777	-	-	75,777
Net loss for the period	-	-	-	-	-	-	(736,272)	(736,272)
Other comprehensive loss	-	-	-	-	-	(28,626)	-	(28,626)
Balance, September 30, 2013	21,387,083	63,131,687	2,139	1,057,823	245,465	(48,749)	(2,466,111)	(1,209,433)
Balance, December 31, 2013	21,387,083	63,131,687	2,139	1,087,823	244,953	(106,561)	(2,761,544)	(1,533,190)
Share issued on debt conversion	277,819	-	28	1,389,068	-	-	-	1,389,096
Share option reserve	-	-	-	-	19,795	-	-	19,795
Net loss for the period	-	-	-	-	-	-	(612,597)	(612,597)
Other comprehensive loss	-	-	-	-	-	(25,392)	-	(25,392)
Balance, September 30, 2014	**21,664,902**	**63,131,687**	**2,167**	**2,476,891**	**264,748**	**(131,953)**	**(3,374,141)**	**(762,288)**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of business and going concern

CINS Holding Corp. (formerly Genius World Investments Limited) (the “Company” or “CHD”) was incorporated on August 3, 2007 under the laws of Cayman Islands. Its principal business activities include software research and development, IT consulting services, and the management and maintenance of network system applications. The Company’s registered office is Scotia Centre, 4th Floor, P.O. Box 2804 George Town, Grand Cayman, KY1-1112.

Effective August 31, 2012, the Company completed the acquisition of 100% of the issued and outstanding securities of CINS Holding Limited (“CINS”) that constitutes a reverse acquisition (the “Transaction”). Consequently, the Company is deemed to be a continuation of CINS and CHD is deemed to have been acquired in consideration for its issued and outstanding shares prior to the Transaction. On September 13, 2012, the common shares of CHD were listed on the Canadian Securities Exchange (“CSE”) under the symbol “CHD” after the completion of the reverse acquisition and the delisting from TSXV.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future.

Since 2012, the Company has focused on software research and development and providing technical support services. These activities have been funded by loans from the Chief Executive Officer who is also a major shareholder of the Company and advance received from a customer. The Company did not have service fee revenue in the period ended September 30, 2014. The Company has incurred a net loss for the nine months ended September 30, 2014 of $612,597 (2013 - $736,272) and a working capital deficiency as of September 30, 2014 of $765,315 (December 31, 2013 - $1,537,754). In addition, as the Company’s planned level of expenditures for 2014 will continue to rely heavily on the funding to be provided by the CEO, there is significant doubt about its ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management’s current strategy is to focus on marketing its technical support services to other internet-based technology companies, at the same time to exercise careful cost control to sustain operations in the near term. Management recognizes the Company’s need to expand its cash reserves in the coming year if it intends to adhere to its operations plans and has evaluated its potential sources of funds, including: borrowing from the CEO and possible equity financing options. Although Management intends to assess and act on these options through the course of the year, there can be no assurance that the steps Management takes will be successful.

In the event that cash flow from operations, together with the proceeds from any future financings are insufficient to cover planned expenditures, Management will allocate available resources in such manner as deemed to be in the Company’s best interest. This may result in a significant reduction in the scope of existing and planned operations.

1. Nature of business and going concern (Continued)

These financial statements do not reflect any adjustments, which could be material, to the carrying amounts of assets and liabilities, reported revenues and expenses, and balance sheet classifications used, that would be necessary if the Company were unable to continue as a going concern.

2. Basis of Preparation

a) Statement of compliance

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* (“IAS 34), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these interim financial statements are the same as those applies in the Company’s annual financial statements as at and for the year ended December 31, 2013. The condensed interim financial statements do not include all of the information required for full annul financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on December 1, 2014.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, CINS, Dongguang CINS Technology Limited (“DCT”), Stand Capital Limited (“SCL”), and Zhenjiang Sheng Si Network Technology Co., Ltd. (“ZSS”) (collectively, the “Company”).

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.

CINS was incorporated on April 6, 2011 under the laws of Hong Kong with registered office at Room 703 Kowloon Building, 555 Nathan Road, Kowloon, Hong Kong.

DCT is a wholly subsidiary of CINS and it was incorporated under the laws of the People’s Republic of China (“PRC” or “China”) on May 19, 2011 as a wholly foreign owned enterprise in China with a registered capital of USD $600,000. Its head office is located at Room 201, Productivity Building, Songshan Lake National High-Tech Industrial Development Zone, Dongguan, PRC.

2. Basis of Preparation (Continued)

c) Basis of consolidation (continued)

ZSS is a wholly subsidiary of CINS and it was incorporated under the laws of the People's Republic of China ("PRC" or "China") on January 15, 2014 as a wholly foreign owned enterprise in China with a registered capital of USD $100,000. Its head office is located at Room 05-217, Tower A, 468 Dingmao Zhihui Dadao, Zhenjiang New District, Zhenjiang, Jiangsu Province, PRC.

SCL is a wholly owned subsidiary of CHD. SCL was incorporated on April 16, 2012 under the law of Hong Kong. Currently SCL does not have any assets and liabilities. It does not carry any business activities.

All material inter-company transactions and balances have been eliminated for the purpose of these consolidated financial statements.

3. Accounting Policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the periods presented.

a. Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates under different assumptions and conditions.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below:

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operations could limit the ability of the Company to obtain tax deductions in future periods.

3. Accounting Policies (Continued)

***a. Significant accounting judgments and estimates* (Continued)**

Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Significant judgments used in the preparation of these financial statements include, but are not limited to:

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended September 30, 2014. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there is significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

b. Foreign Currency Translation

The functional currency for CHD is Canadian dollars, for CINS is HK dollars, and for DCT and ZSS is Chinese Renminbi ("RMB"). The reporting currency of the Company is Canadian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of loss and comprehensive loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value is determined.

(in Canadian Dollars)

3. Accounting Policies (Continued)

b. Foreign Currency Translation (Continued)

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. Gains or losses resulting from these translation adjustments are included in shareholders' equity as currency translation reserve. On disposal of the foreign operation the cumulative translation differences recognized in equity are reclassified to statement of loss and comprehensive loss.

c. Cash and cash equivalents

Cash and cash equivalents represent cash on hand, demand deposits and money market fund placed with banks or other financial institutions. All highly liquid investments with a stated maturity of 90 days or less from the date of purchase are classified as cash equivalents. There were no cash equivalents as of September 30, 2014 and December 31, 2013.

d. Property and equipment

Property and equipment, which are located in China, are stated at cost, net of accumulated amortization. Amortization is computed using the straight-line method, with 5% residual value for property and equipment located in China, over the expected useful life at the following annual rates:

Office equipment	-	3 years; straight-line

e. Research and development expenditures

Expenditure on research and development is capitalized if it can be demonstrated that:

- it is technically feasible to develop the software so that it will be available for use;
- adequate resources are available to complete the development;
- there is an intention to complete and use the software;
- Either the Company or the third party is able to use the software;
- use of the software will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalized research and development expenditure will be amortized over the periods the Company expects to receive economic benefit from the software. Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in the statement of loss and comprehensive loss as incurred.

As at September 30, 2014 and December 31, 2013, no research and development expenditures had been capitalized as such expenditures did not fully meet the capitalization criteria and were expensed as incurred (Note 10).

3. Accounting Policies (Continued)

f. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

g. Revenue Recognition

Revenue arising from the rendering of services is recognized when all of the following criteria are met:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits will flow to the Company;
- the stage of completion at the balance sheet date can be measured reliably; and
- the costs incurred, in respect of the services rendered, can be measured reliably.

When the above criteria are not met, revenue arising from the rendering of services should be recognized only to the extent of the expenses recognized that are recoverable.

h. Earnings (loss) per share

Basic earnings (loss) per share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted loss per share does not adjust the loss attributable to common shareholders or the weight average number of common shares outstanding as the effect is anti-dilutive.

In accordance with IFRSs, the equity structure in the consolidated financial statements following a reverse acquisition reflects the equity structure of the legal acquirer (the accounting acquiree), including the equity interests issued by the legal acquirer to effect the business combination.

3. Accounting Policies (Continued)

i. Share-based payments

The grant date fair value of options granted to employees is recognized as share-based payments, with a corresponding increase in contributed surplus over the vesting period. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vests.

For equity-settled share-based payments transactions, the goods or services received are measured, and the corresponding increase in equity, directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods and services received cannot be estimated reliably, the fair value will be measured indirectly by reference to the fair value of the equity instruments issued.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

j. Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. Accounting Policies (Continued)

k. Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. At the end of each reporting period subsequent to initial recognition, financial liabilities classified as FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss excludes any interest paid on the financial liabilities.

l. Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset measured at amortized cost is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

3. Accounting Policies (Continued)

l. Impairment of financial assets (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available for sale

If an available for sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

m. Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3. Accounting Policies (Continued)

n. Fair value measurement hierarchy

IFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

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

b) 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) (Level 2); and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

As at September 30, 2014 and December 31, 2013, cash and cash equivalents are assessed to be Level 1 instruments.

o. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. Accounting Policies (Continued)

p. Income Tax

Income tax expense comprises of current and deferred tax. Tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly into equity, in which case the related tax effect is recognized in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax expense is calculated using tax rates and laws that were enacted or substantively enacted at the year end.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable entity; or
- different corporate entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

A deferred tax assets is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. Accounting Policies (Continued)

q. Newly adopted IFRS standards and amendments

The following new or amended standards, and their resulting consequential amendments, were applied for the first time in the current year:

IAS 1 Presentation of Financial Statements

The amendments to IAS 1 introduced a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never by reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Company's financial results.

IFRS 7 Financial Instruments: Disclosure

The amendment to IFRS 7 introduced disclosure on financial assets that were offset in accordance with IAS 32 and master netting or similar arrangements. The revised IFRS 7 had no impact on current year and prior year disclosures or on the Company's financial results.

IFRS 10 Consolidated Financial Statements

As a result of adopting IFRS 10, the Company has changed its accounting policies with respect to determining whether it has control over and consequently consolidates its investees. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In accordance with the transitional provisions of IFRS 10, the Corporation has re-assessed the control conclusion for its investees at January 1, 2014 and concluded that the new standard does not change its previous conclusion.

r. New accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2014, and have not been applied in preparing these financial statements. The following standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

3. Accounting Policies (Continued)

r. New accounting pronouncements (Continued)

IFRS 2 Share-based payment

The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

Related party disclosures

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

4. Reverse Acquisition

On August 31, 2012, CHD completed the acquisition of 100% of the issued and outstanding securities of CINS. Although the transaction resulted in CINS becoming a wholly-owned subsidiary of CHD, the transaction constitutes a reverse takeover of CHD as the control of the combined companies passed to the former shareholders of CINS. The transaction has been accounted for as a reverse takeover transaction in accordance with guidance provided in IFRS 2 Share Based Payment and IFRS 3 Business Combinations. As CHD did not qualify as a business according to the definition in IFRS 3, this reverse takeover transaction does not constitute a business combination; rather it is treated as an issuance of shares by CINS for the net monetary assets of CHD followed by a recapitalization of CINS.

Further to the reverse takeover transaction, the consolidated financial statements for the year ended December 31, 2012 reflect the assets, liabilities and results of operations of CINS, the legal subsidiary, and CHD. The comparative statements of financial position as at December 31, 2011, and the comparative statements of operations and cash flows for the period ended December 31, 2011 are those of CINS, the legal subsidiary, prior to the reverse takeover.

In connection with the Transaction, CINS completed a non-brokered private placement of 509,000 CINS shares at a price of $1.964636 per CINS share for total gross proceeds of $1,000,000. A $100,000 finders' fee has been paid in cash to a finder in connection with the private placement.

(in Canadian Dollars)

4. Reverse Acquisition (Continued)

In connection with the acquisition, the Company issued 15,390,313 common shares and 63,131,687 Special Warrants all of which will be held in escrow, to former CINS shareholders. The Company issued 3,996,700 common shares, 3,684,221 $0.25 warrants and 312,549 $0.50 warrants, to replace the 509,000 CINS shares. Each warrant entitles the holder to acquire one common share for a period of two years from the completion of the Transaction at a price of $0.25/$0.50 per share. $136,200 was determined as the fair value of the warrants using the Black-Scholes model.

The net assets acquired at fair value on August 31, 2012 were as follows:

Assets:		
Bank deposits	$	105,661
Prepayments		1,379
Accounts payable		(5,000)
	$	102,040

Transaction costs in the amount of $23,697 were incurred by the Company in the completion of the reverse takeover transaction. Under the provisions of IFRS 2 and IFRS 3, these costs are charged as an expense. In addition, the transaction was measured at the fair value of the shares CINS would have had to issue for the ratio of ownership interest in the combined entity to be equivalent to the ratio of ownership interest (between new and former owners) in the combined entity if the transaction had taken the legal form of CINS acquiring CHD. This assumed value of the stock exchange listing of $62,960 has been charged to expense as listing expense.

5. Financial Instruments

The Company has classified cash and cash equivalents as financial assets as FVTPL, accounts receivable as loans and receivables, accounts payable and accrued liabilities and due to related parties as other liabilities.

The carrying amount of all the Company's financial assets and financial liabilities approximates their fair value due to their short-term nature.

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Other market price risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

5. Financial Instruments (Continued)

General objectives, policies and processes

The management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them. The overall objective is to set polices that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk mainly arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The Company does not enter into derivatives to manage credit risk. The carrying amounts of financial assets, comprising cash and cash equivalents and accounts receivable, represent the Company's estimate of maximum credit exposures.

Market risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Company does not have significant interest rate risk or price risk.

Foreign exchange risk

The majority of the Company's assets, liabilities, and expenses are denominated in RMB, which is tied to a basket of currencies of China's largest trading partners, is not a freely convertible currency. The Company's reporting currency is Canadian dollar.

The appreciation of the RMB against the Canadian dollar would result in an increase in the assets, liabilities, and expenses of the Company and a foreign currency gain included in comprehensive income. Conversely, the devaluation of the RMB against the Canadian dollar would result in a decrease in the assets, liabilities, and expenses of the Company and a foreign currency loss included in comprehensive income.

Management believes the foreign exchange risk derived from currency conversions is minimal and therefore does not hedge its foreign exchange risk. At September 30, 2014, $1,423 (December 31, 2013, $1,758) of cash was held in Canadian dollars, $30,351 was held in RMB (December 31, 2013, $4,869), and $163 (December 31, 2013: $158) was held in HK dollars.

5. Financial Instruments (Continued)

Foreign exchange risk (Continued)

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, accounts receivable, accounts payable and accrued liabilities, and due to related parties that are denominated in Chinese RMB and HK Dollars. Sensitivity to a plus or minus 5% change in the foreign exchange rates between HK Dollars and Canadian dollar would affect comprehensive loss by approximately $12,052 for the period ended September 30, 2014.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned capital expenditures. At September 30, 2014, the Company had working capital deficiency of $765,315 (December 31, 2013: $1,537,754).

Capital Disclosures

The Company’s objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Changes in the DCT’s and ZSS’ registered capital and paid-in capital are subject to approvals of the relevant government authorities in the PRC. There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

6. Segment Disclosure

The Company operates in one reporting segment only, which is software research and development and related services. All of the Company's operations are located in China. As at September 30, 2014 and December 31, 2013, all of the Company’s capital assets are situated in China. Cash in the amount of $1,423 (December 31, 2013: $1,758) of the current assets in Canadian dollars was deposited with a Canadian bank as at September 30, 2014.

(in Canadian Dollars)

7. Property and Equipment

	Office equipment	Total
Cost	**$**	**$**
Balance at December 31, 2013	6,954	6,954
Foreign exchange	273	273
Balance at September 30, 2014	7,227	7,227
Accumulated Depreciation		
Balance at December 31, 2013	2,390	2,390
Addition	1,667	1,667
Foreign exchange	143	143
Balance at September 30, 2014	4,200	4,200
Carrying amounts		
Net Book Value at September 30, 2014	**3,027**	**3,027**

	Office equipment	Total
Cost	$	$
Balance at December 31, 2012	5,746	5,746
Addition	633	633
Foreign exchange	575	575
Balance at December 31, 2013	6,954	6,954
Accumulated Depreciation		
Balance at December 31, 2012	186	186
Addition	2,083	2,083
Foreign exchange	121	121
Balance at December 31, 2013	2,390	2,390
Carrying amounts		
Net Book Value at December 31, 2013	4,564	4,564

8. Deposit and Prepayment

The deposit and prepayment consists of the amount paid for the deposit of office leases and services that have not been received.

(in Canadian Dollars)

9. Accounts Payable and Accrued Liabilities

	September 30, 2014 $	December 31, 2013 $
Accounts payables	67,069	114,389
Accrued salaries and benefits	64,479	89,908
	131,548	204,297

10. Research and Development Expenses

The research and development expenses represent the payroll expenses incurred in connection with contract game developing activities. Since the developments have not been completed and the expenditures did not fully meet the capitalization criteria (Note 3(e)), such expenditures have been expensed accordingly as incurred.

11. Share Capital

a. Common shares

Authorized Share Capital

As at September 30, 2014 and December 31, 2013, the authorized share capital comprised 500,000,000 common shares with par value of US$0.0001. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

Issued Share Capital

At September 30, 2014, there were 21,664,902 (December 31, 2013: 21,387,083) common shares issued and outstanding.

On August 31, 2012, CHD completed a reverse acquisition transaction with CINS. Pursuant to the transaction, CHD purchased all of the issued and outstanding CINS shares in exchange for issuing an aggregate of 19,387,083 common shares, 63,131,687 special warrants, and 3,996,770 share purchase warrants to the shareholders of CINS (see Note 4).

On May 20, 2014, pursuant to a debt conversion agreement dated May 18, 2014 between the Company and Mr. Chung Yan Lee, the Chief Executive Officer of the Company, the Company has issued 277,819 common shares of the Company for a total consideration of $1,389,096 of debt forgiven by Mr. Lee, at a price of $5.00 per share by converting the debt into common shares of the Company. After the conversion, the Company has 21,664,902 common shares issued and outstanding.

11. Share Capital (continued)

b. Escrow shares

As at September 30, 2014, the Company had 4,617,098 common shares held in escrow (December 31, 2013: 9,234,190). These escrowed shares will be released every six months over a course of three years.

c. Share Purchase Warrants

On August 31, 2012, in connection with the reverse acquisition transaction with CINS, the Company issued 3,996,770 share purchase warrants, of which, 3,684,223 warrants have an exercise price of $0.25 and 312,547 warrants have an exercise price of $0.50. These share purchase warrants will expire two years from the date of issuance.

As at September 30, 2014, the share purchase warrants have expired.

d. Special Warrants

On August 31, 2012, in connection with the reverse acquisition transaction with CINS, the Company issued 63,131,687 Special Warrants to the founding shareholders of CINS. Ten percent of the Special Warrants were released on the issuance date. The rest will be held in escrow and will be released every six months over a course of three years. As at September 30, 2014, 18,939,505 were held in escrow (December 31, 2013: 37,879,011).

Each Special Warrant entitles the holder to receive, on exercise or deemed exercise and without payment of further consideration, one common share of the Company. The Special Warrants may not be exercised until, and will be deemed to be exercised wholly or partially from time to time on, the date(s) on which all of the following conditions have been met:

11. Share Capital (continued)

d. Special Warrants (Continued)

1) the Company has raised additional equity financing following the closing date of not less than $0.065 per Special Warrant exercised or deemed to be exercised; and

2) the Company has received confirmation from the CSE that the CSE has received evidence satisfactory to the CSE that on exercise or deemed exercise of the Special Warrants, the public float will still constitute at least 10% of the total issued and outstanding Common Shares;

provided that any Special Warrants not exercised or deemed to be exercised on or before the third anniversary of the listing of the Company's common shares on the CSE will be deemed to be cancelled and no longer exercisable.

e. Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares issuable pursuant to options granted under the Plan may not exceed 10% of the number of issued common shares of the Company at the time of the granting of the options. Options granted under the Plan will have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares or such other price as may be agreed to by the Company and accepted by CSE.

On September 28, 2012, the Company granted incentive stock options to certain directors, officers, and employees, entitling them to purchase up to a total of 2,138,500 shares at a price of $0.70 per share for a period of five years. The options issued to directors and officers will vest at the end of every six months over a course of 18 months. The options issued to employees will vest at the end of every six months over a course of 36 months. These options were later cancelled entirely on December 14, 2012.

On March 1, 2013, the Company granted incentive stock options to certain directors, officers, and employees, entitling them to purchase up to a total of 1,879,000 shares at a price of $0.10 per share for a period of five years. The options issued to directors and officers will vest at the end of every six months over a course of 18 months. The options issued to employees will vest at the end of every six months over a course of 36 months. A total of $19,286 of share-based payment was recorded during the nine months ended September 30, 2014 for these options by using the Black-Scholes option-pricing model with the following assumptions on the grant date: risk-free interest rate of 1.19%, expected life of 5 years and expected volatility of 184.33%, forfeiture rate of 35% for options granted to employees and forfeiture rate of nil for options granted to directors.

(in Canadian Dollars)

11. Share Capital (continued)

e. Stock Options (Continued)

On March 1, 2013, the Company also granted stock options to certain directors entitling them to purchase up to a total of 150,000 shares at a price of $0.10 per share for a period of five years. The options will vest at the end of every six months over a course of 18 months. The share-based payment has been accounted by using the Black-Scholes option-pricing model with the following assumptions on the grant date: risk-free interest rate of 1.19%, expected life of 5 years and expected volatility of 184.33%, forfeiture rate of nil for options granted to directors. A total of $509 of share-based payment was recorded during the nine months ended September 30, 2014 for these options.

A summary of the Company's options as at September 30, 2014 are as follows:

	Number of options	Weighted average exercise price	Expire date
December 31, 2012	1,879,000	$0.70	
Options cancelled	(1,879,000)	$0.70	September 28, 2017
Options re-issued on March 1, 2013	1,879,000	$0.10	March 1, 2018
Options granted to directors	150,000	$0.10	March 1, 2018
Options forfeited	(534,500)	$0.10	March 1, 2018
December 31, 2013	1,494,500	$0.10	
Options forfeited	(290,000)	$0.10	March 1, 2018
September 30, 2014	1,204,500	$0.10	

As of September 30, 2014, there are total 852,250 stock options exercisable, with a weighted average remaining life of 3.42 years.

12. Related Party Transactions

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Board of Directors and the Executive management team.

Transactions	Three months ended September 30, 2014	2013
	$	$
CEO, President, and CFO salary	81,375	75,000
Directors fee	22,875	16,875
Share-based payments	509	4,032
	104,759	95,907

(in Canadian Dollars)

12. Related Party Transactions (Continued)

Amount owing	September 30, 2014	December 31, 2013
	$	$
CEO – salary and director fee payable	64,000	81,315
President – salary and director fee payable	70,935	-
CFO – salary and director fee payable	12,000	62,000
Directors – directors fee payable	65,488	17,534
Amount due to JSS	42,695	-
Amount due to GCT	248,996	248,208
Amount due to CEO	162,932	943,287
	667,046	1,352,344

The Chief Executive Officer of the Company is also part of the senior management team of Guangdong CINS Technology Limited ("GCT"), a domestic private company incorporated under the laws of PRC. On August 26, 2011, the Company entered into "Technology License and Technical Support Agreement" with GCT, pursuant to which the Company provides technology and marketing services to GCT in exchange of the 30% of the GCT's net income. For the nine months ended September 30, 2014, there was $nil income earned under the agreement.

On January 1, 2013, DCT and GCT signed a cost recovery agreement whereby GCT will reimburse DCT for expenses incurred by DCT for providing certain technical services to GCT. Pursuant to this agreement, GCT will also pay 10% on top of the reimbursement. During the nine months ended September 30, 2014, the Company did not generate any service revenue (September 30, 2013: $10,685).

As of September 30, 2014, the Company owes $248,996 to GCT (December 31, 2013: $248,208) for its operation purposes. The balance is no interest bearing and due on demand.

As at September 30, 2014, DCT and CINS owed $162,932 to Mr. Chung Yan Lee (December 31, 2013: $943,287). The amount is non-interest bearing, uncollateralized, unsecured and repayable on demand.

As at September 30, 2014, the Company owed $42,695 to Jiangsu Sheng Si Investment Group ("JSS"), a private company controlled by Mr. Chung Yan Lee (December 31, 2013: $nil). The amount is non-interest bearing, uncollateralized, unsecured and repayable on demand.

13. Commitments

The Company has the following commitments:

Office lease agreement:

December 31, 2014	$4,500

14. Subsequent event

On November 18, 2014, the Company announced that it has entered into a Letter of Intent ("LOI") with Chengcheng E-Commerce Co., Ltd. ("Chengcheng"). Pursuant to the LOI, the Company will acquire from the shareholders of HK Holdco (the "Vendors") all of the then-issued and outstanding common shares of HK Holdco (the "HK Holdco Common Shares") as well as all securities that give rise to the issuance of other equity rights of ownership to HK Holdco in consideration for the Company issuing to the Vendors 36,363,636 purchase securities, consisting of common shares and special warrants if applicable, of the Company at a deemed price of $1.50 per purchase security ("Transaction"), subject to the approval by Canadian Securities Exchange (the "Exchange"), such that the shareholders of the Company and the Vendors will, immediately thereafter but before any private placement or other issuances of securities), hold in the aggregate approximately 71.2% and 28.8%, respectively, of the share capital of the Company after the Transaction, on a fully diluted basis. Thirty percent (30%) of the purchase securities will be paid to the Vendors by the end of 2014. Seventy percent (70%) of the purchase securities will be paid to the Vendors in the year of 2015.

If the Transaction is not consummated within 90 days after signing or such other date as agreed to by the parties, this LOI shall be automatically terminated with no further action required by any party. The closing date of the proposed Transaction is the day which is the 10th business day following the satisfaction or waiver of the condition precedents or such other date as mutually agreed to by the Parties, but in any event no later than April 30, 2015, or the date agreed by both parties thereafter.

This proposed transaction shall be subject to regulatory approval by the Exchange and securities regulators. There is no guarantee that this proposed transaction may proceed or complete as proposed.

FORM 51-102F1
Management Discussion and Analysis
CINS Holding Corp.
(formerly Genius World Investments Limited)
For the period ended September 30, 2014

Date: December 1, 2014

The following discussion and analysis should be read in conjunction with the unaudited condensed interim consolidated financial statements of CINS Holding Corp. (formerly Genius World Investments Limited) ("CHD" or the "Company") for the period ended September 30, 2014 and audited financial statements of the Company for the year ended December 31, 2013, together with the accompanying notes that form part of the statements. Additional information relevant to the Company is available for review on SEDAR at www.sedar.com. All amounts are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the financial statements.

Forward Looking Information

Certain information in this management discussion and analysis ("MD&A") is forward-looking within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions. The forward-looking information is based on certain assumptions, which could change materially in the future. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A. The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The forward-looking information contained in this MD&A represents the expectations of the Company as of the date of this MD&A and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date.

Description of Business and Overall Performance

CINS Holding Corp. ("CHD") was incorporated on August 3, 2007 under the laws of Cayman Islands. On December 27, 2007, CHD completed a public offering of its shares as a Capital Pool Company for regulatory purposes as defined by TSX Venture Exchange ("TSXV") Policy 2.4. On September 13, 2012, the common shares of CHD were listed on the Canadian Securities Exchange ("CSE") under the symbol "CHD" after the completion of the reverse acquisition of CINS Holding Limited ("CINS") and the delisting from TSXV.

CHD completed a reverse acquisition transaction with CINS on August 31, 2012. Pursuant to the transaction, CHD purchased all of the issued and outstanding CINS shares in exchange for issuing an aggregate of 19,387,083 common shares, 63,131,687 special warrants, and 3,996,770 share purchase warrants to the shareholders of CINS.

After the reverse acquisition, CINS became a wholly owned subsidiary of CHD. CINS was incorporated on April 6, 2011 under the laws of Hong Kong with registered office at Room 703 Kowloon Building, 555 Nathan Road, Kowloon, Hong Kong.

Dongguan CINS Technology Limited ("DCT") was incorporated under the laws of the People's Republic of China ("PRC" or "China") on May 19, 2011 as a wholly foreign owned enterprise in China with a registered capital of USD $600,000. Its head office is located at Room 201, Productivity Building, Songshan Lake National High-Tech Industrial Development Zone, Dongguan, PRC. DCT is a wholly owned subsidiary of CINS. DCT's business include online game development and technical services.

Zhenjiang Sheng Si Network Technology Co., Ltd. ("ZSS") is a wholly subsidiary of CINS and it was incorporated under the laws of the People's Republic of China ("PRC" or "China") on January 15, 2014 as a wholly foreign owned enterprise in China with a registered capital of USD $100,000. Its head office is located at Room 05-217, Tower A, 468 Dingmao Zhihui Dadao, Zhenjiang New District, Zhenjiang, Jiangsu Province, PRC.

CINS is a holding company. All business activities are carried through DCT and ZSS. DCT and ZSS are is in the business of software research and development, IT consulting services, and the management and maintenance of network system applications.

Stand Capital Limited ("SCL") is a wholly owned subsidiary of CHD. SCL was incorporated on April 16, 2012 under the law of Hong Kong. Currently SCL does not have any assets and liabilities. It does not carry business activities.

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2013. The condensed interim financial statements do not include all of the information required for full annul financial statements.

These condensed interim consolidated financial statements include the accounts of CHD, CINS, DCT, ZSS, and SCL (collectively, the "Company"). All material inter-company transactions and balances have been eliminated for the purpose of these condensed interim consolidated financial statements.

Selected Annual Information

	Year ended December 31, 2013	Year ended December 31, 2012	From incorporation on April 6, 2011 to December 31, 2011
Total revenue	$8,040	$-	$-
Net loss	$(1,031,705)	$(1,564,392)	$(165,447)
Net loss per share	$(0.05)	$(0.09)	$(0.01)
Total assets	$23,451	$55,754	$91,722

The net loss incurred during the period from incorporation on April 6, 2011 to December 31, 2011 was mainly due to the operating expenses of DCT. Compared with the period ended December 31, 2011, the net loss for the year ended December 31, 2012 increased significantly. The increase was mainly due to increase in salaries, office rents, and non-recurring expenses related to the reverse take-over transaction. As a result of listing on CSE, the Company incurred higher general and administrative expenses to maintain as a public company. Compared with the year ended December 31, 2012, the net loss for the year ended December 31, 2013 decreased by $532,687 or 34%. The decrease of net loss was due to the reduction of non-recurring expenses related to the reverse take-over transaction completed in 2012 and cost recovered pursuant to a recovery agreement whereby Guangdong CINS Technology Limited ("GCT") reimburses DCT for expenses incurred by DCT for providing certain technical services to GCT. Pursuant to this agreement, GCT will also pay 10% on top of the reimbursement. In the year ended December 31, 2013, the Company recorded and received $8,040 of service fee revenue pursuant to the cost recovery agreement with GCT. As the Company had limited funding resources to support its expenditures, the total assets of the Company continued to declined in the past three fiscal years. In the years ended December 31, 2012 and 2011, the Company focused mainly on in-house software research and development without exploring the technical support markets. Therefore, there was no service fee revenue generated in the years prior to January 1, 2013.

Results of Operations

As at September 30, 2014, the Company carried all business activities through DCT and ZSS to develop online game software and providing technical supports.

On January 1, 2013, DCT and Guangdong CINS Technology Limited ("GCT"), a domestic private company incorporated under the laws of PRC, signed a cost recovery agreement whereby GCT will reimburse DCT for expenses incurred by DCT for providing certain technical services to GCT plus a service fee equivalent to 10% of the costs reimbursable by GCT. The Company has not generated service revenue for the three and nine months ended September 30, 2014 (three and nine months ended September 30, 2013: service revenue of $6,636 and $10,685, respectively).

The Company incurred operating expenses of $160,214 and $612,597 for the three and nine months ended September 30, 2014, respectively (three and nine months ended September 30, 2013: operating expenses of $169,723 and $746,965, respectively).
The net losses for the three and nine months ended September 30, 2014 were $160,214 and

$612,597, respectively (three and nine months ended September 30, 2013: net loss of $163,083 and $736,272, respectively).

The comprehensive losses for the three and nine months ended September 30, 2014 were $196,913 and $637,989 (three and nine months ended September 30, 2013: comprehensive losses of $149,929 and $785,018, respectively).

The operating expenses for the period consisted of the following:

	Three months ended September 30, 2014	Three months ended September 30, 2013
	$	$
Selling expenses	-	8,066
Salaries, director fee and benefits	150,973	113,915
Amortization	552	465
Share-based payments	4,930	21,191
Rent and utilities	-	11,732
Office expenses	337	4,941
Travel and entertainment	-	2,262
Vehicle and transportation	62	355
Filing, transfer agent and business license	3,014	4,000
Other expenses	26	2,471
Bank charges	320	325
	160,214	169,723

Compared with the operating expenses incurred in the comparable period ended September 30, 2013, the operating expenses of $160,214 incurred in the three months ended September 30, 2014 remained stable. The increase in salaries was offset by decrease in selling expenses, rent and utilities, office expenses, and share-based payments, which is a non-cash item.

The share-based payment of $4,930 was a non-cash item that represented fair value of options granted in 2012 and accounted for in the three months ended September 30, 2014.

Summary of Quarterly Results

In accordance with IFRS, the following table provides selected financial information of the Company for the past quarters:

	For the quarters ended			
	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Revenue and interest income	-	-	-	$8
Net loss	$(160,214)	$(171,867)	$(280,559)	$(295,433)
Basic and diluted loss per share	$(0.01)	$(0.01)	$(0.01)	$(0.01)

	For the quarters ended			
	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Revenue and interest income	$3,988	$996	$3,053	$35
Net loss	$(163,083)	$(274,351)	$(298,838)	$(475,651)
Basic and diluted loss per share	$(0.01)	$(0.01)	$(0.01)	$ (0.03)

The Company had no service fee revenues in the quarter ended September 30, 2014. The quarterly losses were mainly due to salaries and benefits, filing and transfer agent fees, and share-based payments, which is a non-cash item.

Liquidity

As of September 30, 2014, the Company had current assets in the amount of $33,279 with $31,937 in cash (December 31, 2013: current assets of $18,887 with $6,785 in cash). The Company had current liabilities of $798,594 as of September 30, 2014 (December 31, 2013: $1,556,641). As of September 30, 2014, the Company had working capital deficiency of $765,315 (December 31, 2013: $1,537,754). The Company had an accumulated deficit of $3,374,141 as at September 30, 2014 (December 31, 2013: $2,761,544). The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary debt and equity financing to achieve its operating and developing objectives, and the Company's future profitable operations.

As at September 30, 2014, the Company had the following commitments:

Office lease agreement:

December 31, 2014 $4,500

Capital Resources and Off-Balance Sheet Arrangements

As of September 30, 2014, the Company had no commitments for capital expenditures and no off-balance sheet arrangements. Management will continue, as appropriate, to seek other sources of financing on favorable terms as required.

Related Party Transactions

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Board of Directors and the Executive management team.

Transactions	Three months ended September 30, 2014	2013
	$	$
CEO, President, and CFO salary	81,375	75,000
Directors fee	22,875	16,875
Share-based payments	509	4,032
	104,759	95,907

Amount owing	September 30, 2014	December 31, 2013
	$	$
CEO – salary and director fee payable	64,000	81,315
President – salary and director fee payable	70,935	-
CFO – salary and director fee payable	12,000	62,000
Directors – directors fee payable	65,488	17,534
Amount due to JSS	42,695	-
Amount due to GCT	248,996	248,208
Amount due to CEO	162,932	943,287
	667,046	1,352,344

The Chief Executive Officer of the Company is also part of the senior management team of Guangdong CINS Technology Limited ("GCT"), a domestic private company incorporated under the laws of PRC. On August 26, 2011, the Company entered into "Technology License and Technical Support Agreement" with GCT, pursuant to which the Company provides technology and marketing services to GCT in exchange of the 30% of the GCT's net income. For the nine months ended September 30, 2014, there was $nil income earned under the agreement.

On January 1, 2013, DCT and GCT signed a cost recovery agreement whereby GCT will reimburse DCT for expenses incurred by DCT for providing certain technical services to GCT. Pursuant to this agreement, GCT will also pay 10% on top of the reimbursement. During the nine months ended September 30, 2014, the Company did not generate any service revenue (September 30, 2013: $10,685).

As of September 30, 2014, the Company owes $248,996 to GCT (December 31, 2013: $248,208) for its operation purposes. The balance is no interest bearing and due on demand.

As at September 30, 2014, DCT and CINS owed $162,932 to Mr. Chung Yan Lee (December 31, 2013: $943,287). The amount is non-interest bearing, uncollateralized, unsecured and repayable on demand.

As at September 30, 2014, the Company owed $42,695 to Jiangsu Sheng Si Investment Group ("JSS"), a private company controlled by Mr. Chung Yan Lee (December 31, 2013: $nil). The amount is non-interest bearing, uncollateralized, unsecured and repayable on demand.

.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates under different assumptions and conditions.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below:

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operations could limit the ability of the Company to obtain tax deductions in future periods.

Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Significant judgments used in the preparation of these financial statements include, but are not limited to:

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended September 30, 2014 and the year ended December 31, 2013. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there is significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

Newly adopted IFRS standards and amendments

The following new or amended standards, and their resulting consequential amendments, were applied for the first time in the current year:

IAS 1 Presentation of Financial Statements

The amendments to IAS 1 introduced a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never by reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Company's financial results.

IFRS 7 Financial Instruments: Disclosure

The amendment to IFRS 7 introduced disclosure on financial assets that were offset in accordance with IAS 32 and master netting or similar arrangements. The revised IFRS 7 had no impact on current year and prior year disclosures or on the Company's financial results.

IFRS 10 Consolidated Financial Statements

As a result of adopting IFRS 10, the Company has changed its accounting policies with respect to determining whether it has control over and consequently consolidates its investees. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In accordance with the transitional provisions of IFRS 10, the Corporation has re-assessed the control conclusion for its investees at January 1, 2014 and concluded that the new standard does not change its previous conclusion.

New accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2014, and have not been applied in preparing these financial statements. The following standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

IFRS 2 Share-based payment

The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

IAS 24 Related party disclosures

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities and due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values. See audited financial statement for detail.

Share Capital

The Company is authorized to issue 500,000,000 common shares with par value of US$0.0001 per common share.

As at December 1, 2014 and September 30, 2014, the issued and outstanding share capital was 21,664,902 common shares (December 31, 2013: 21,387,083 common shares).

In August 2012, as a condition to delist from TSXV, one million (1,000,000) common shares held in escrow by Directors of CHD were cancelled in accordance with TSXV Policy 2.4 to allow the Company to be delisted from TSXV and to be listed on CSE.

On August 31, 2012, CHD completed a reverse acquisition transaction with CINS. Pursuant to the transaction, CHD purchased all of the issued and outstanding CINS shares in exchange for issuing an aggregate of 19,387,083 common shares, 63,131,687 special warrants, and 3,996,770 share purchase warrants to the shareholders of CINS. The share purchase warranted expired on August 31, 2014.

On May 20, 2014, pursuant to a debt conversion agreement dated May 18, 2014 between the Company and Mr. Chung Yan Lee, the Chief Executive Officer of the Company, the Company has issued 277,819 common shares of the Company for a total consideration of $1,389,096 of debt forgiven by Mr. Lee, at a price of $5.00 per share by converting the debt into common shares of the Company. After the conversion, the Company has 21,664,902 common shares issued and outstanding.

As at December 1, 2014 and September 30, 2014, the Company has 4,617,098 common shares held in escrow (December 31, 2013: 9,234,190 common shares). These escrowed shares will be released at the end of every six months over a course of three years.

Share Purchase Warrants
On August 31, 2012, in connection with the reverse acquisition transaction with CINS, the Company issued 3,996,770 share purchase warrants, of which, 3,684,223 warrants have an exercise price of $0.25 and 312,547 warrants have an exercise price of $0.50. These share purchase warrants expire two years from the date of issuance. The share purchase warranted expired on August 31, 2014.

Special Warrants
On August 31, 2012, in connection with the reverse acquisition transaction with CINS, the Company issued 63,131,687 Special Warrants to the founding shareholders of CINS. Ten percent of the Special Warrants were released on the issuance date. The rest will be held in escrow and will be released every six months over a course of three years. As at December 1, 2014 and September 30, 2014, 18,939,505 were held in escrow (December 31, 2013: 37,879,011).

Each Special Warrant entitles the holder to receive, on exercise or deemed exercise and without payment of further consideration, one common share of the Company. The Special Warrants may not be exercised until, and will be deemed to be exercised wholly or partially from time to time on, the date(s) on which all of the following conditions have been met:

1) the Company has raised additional equity financing following the closing date of not less than $0.065 per Special Warrant exercised or deemed to be exercised; and
2) the Company has received confirmation from the CSE that the CSE has received evidence satisfactory to the CSE that on exercise or deemed exercise of the Special Warrants, the public float will still constitute at least 10% of the total issued and outstanding Common Shares;

provided that any Special Warrants not exercised or deemed to be exercised on or before the third anniversary of the listing of the Company's common shares on the CSE will be deemed to be cancelled and no longer exercisable.

Stock Options
The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares issuable pursuant to options granted under the Plan may not exceed 10% of the number of issued common shares of the Company at the time of the granting of the options. Options granted under the Plan will have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares or such other price as may be agreed to by the Company and accepted by CSE.

On September 28, 2012, the Company granted incentive stock options to certain directors, officers, and employees, entitling them to purchase up to a total of 2,138,500 shares at a price of $0.70 per share for a period of five years. The options issued to directors and officers will vest at the end of every six months over a course of 18 months. The options issued to employees will vest at the end of every six months over a course of 36 months. These options were later cancelled entirely on December 14, 2012.

On March 1, 2013, the Company granted incentive stock options to certain directors, officers, and employees, entitling them to purchase up to a total of 1,879,000 shares at a price of $0.10 per share for a period of five years. The options issued to directors and officers will vest at the end of every six months over a course of 18 months. The options issued to employees will vest at the end of every six months over a course of 36 months. A total of $19,286 of share-based payment was recorded during the period ended September 30, 2014 for these options by using the Black-Scholes option-pricing model with the following assumptions on the grant date: risk-free interest rate of 1.19%, expected life of 5 years and expected volatility of 184.33%, forfeiture rate of 35% for options granted to employees and forfeiture rate of nil for options granted to directors.

On March 1, 2013, the Company also granted stock options to certain directors entitling them to purchase up to a total of 150,000 shares at a price of $0.10 per share for a period of five years. The options will vest at the end of every six months over a course of 18 months. The share-based payment has been accounted by using the Black-Scholes option-pricing model with the following assumptions on the grant date: risk-free interest rate of 1.19%, expected life of 5 years and expected volatility of 184.33%, forfeiture rate of nil for options granted to directors. A total of $509 of share-based payment was recorded during the period ended September 30, 2014 for these options.

As of December 1, 2014 and September 30, 2014, there are 1,204,500 stock options outstanding of which, 852,250 stock options exercisable, with a weighted average remaining life of 3.42 years.

Risks and Uncertainties

The Company’s limited operating history makes evaluating its business and prospects difficult. The Company’s business strategy has not been proven over time. It is uncertain that the Company will be able to successfully expand our business.

The Company will require external capital to expand its operations and to sustain as a going concern. It must obtain such financing through a combination of equity and debt financing to continue the research and development of online games; otherwise, the Company may not penetrate the market as quickly as anticipated. There can be no certainty that the Company can obtain these funds.

The Company may fail to launch new games according to its timetable. The Company’s new games may not be commercially successful. Rapid technological changes may increase the Company’s game development costs. The Company may need to incur significant expenses to enforce its proprietary rights. If the Company is unable to protect such rights, its competitive position could be harmed. The Company is dependent upon its existing management, key development personnel and qualified technical personnel. The Company’s business may be severely disrupted if the Company loses their services.

Subsequent event

On November 18, 2014, the Company announced that it has entered into a Letter of Intent ("LOI") with Chengcheng E-Commerce Co., Ltd. ("Chengcheng"). Pursuant to the LOI, the Company will acquire from the shareholders of HK Holdco (the "Vendors") all of the then-issued and outstanding common shares of HK Holdco (the "HK Holdco Common Shares") as well as all securities that give rise to the issuance of other equity rights of ownership to HK Holdco in consideration for the Company issuing to the Vendors 36,363,636 purchase securities, consisting of common shares and special warrants if applicable, of the Company at a deemed price of $1.50 per purchase security ("Transaction"), subject to the approval by Canadian Securities Exchange (the "Exchange"), such that the shareholders of the Company and the Vendors will, immediately thereafter but before any private placement or other issuances of securities), hold in the aggregate approximately 71.2% and 28.8%, respectively, of the share capital of the Company after the Transaction, on a fully diluted basis. Thirty percent (30%) of the purchase securities will be paid to the Vendors by the end of 2014. Seventy percent (70%) of the purchase securities will be paid to the Vendors in the year of 2015.

If the Transaction is not consummated within 90 days after signing or such other date as agreed to by the parties, this LOI shall be automatically terminated with no further action required by any party. The closing date of the proposed Transaction is the day which is the 10th business day following the satisfaction or waiver of the condition precedents or such other date as mutually agreed to by the Parties, but in any event no later than April 30, 2015, or the date agreed by both parties thereafter.

This proposed transaction shall be subject to regulatory approval by the Exchange and securities regulators. There is no guarantee that this proposed transaction may proceed or complete as proposed.