

FORM 51-102F1
Management Discussion and Analysis
Sino Rise Group Holding Corp.
(formerly CINS Holding Corp.)
For the period ended September 30, 2015

Date: November 30, 2015

The following discussion and analysis should be read in conjunction with the unaudited condensed interim consolidated financial statements of Sino Rise Group Holding Corp. (formerly CINS Holding Corp.) (“CHD” or the “Company”) for the period ended September 30, 2015 and audited financial statements of the Company for the year ended December 31, 2014, 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

Sino Rise Group Holding Corp. (formerly 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 National Stock Exchange (“CSE”) under the symbol “CHD” after the completion of the reverse acquisition of Sino Rise Group Holding (Hong Kong) Co. Limited (formerly CINS Holding Limited) (“SHK”) and the delisting from TSXV.

The Company held a special meeting of the shareholders of the Company on August 20, 2015 and approved the name change of the Company from “CINS Holding Corp.” to “Sino Rise Group Holding Corp.”

CHD completed a reverse acquisition transaction with SHK on August 31, 2012. Pursuant to the transaction, CHD purchased all of the issued and outstanding SHK 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 SHK.

After the reverse acquisition, SHK became a wholly owned subsidiary of CHD. SHK 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.

On August 18, 2015, the Company completed the acquisition of China Success Capital Limited (“CSC”), a company incorporated under the laws of Hong Kong. CSC wholly owns Jiangsu Zhongsheng Information Technology Co., Ltd. (“JZIT”), a wholly owned foreign enterprise incorporated on December 24, 2014 under the laws of People’s Republic of China. Both CSC and JZIT have not carried out any business activities since incorporation. Mr. Chung Yan Lee, CEO and Chairman of the Company, prior to the acquisition of CSC, was the sole beneficial shareholder of CSC and held 100% equity interest in CSC. The nominal consideration for the acquisition of CSC is one Canadian dollar since both CSC and JZIT do not carry any assets or liabilities other than incorporation expenses. As one of the condition of the acquisition of CSC by the Company, Mr. Lee and CSC jointly guarantee the assumption of any liabilities immediately prior to the acquisition. After the acquisition, JZIT has become an indirectly wholly owned subsidiary of the Company. The Company wishes to further its business in Nanjing, China in software and hardware development and services.

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 SHK. DCT’s business include online game development and technical services.

SHK is a holding company. All business activities are carried through DCT. DCT’s 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.

Zhenjiang Zhong Sheng Network Technology Co., Ltd. (formerly Zhenjiang Sheng Si Network Technology Co., Ltd.) (“ZZS”) is a wholly subsidiary of SHK 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 \$200,000. Its head office is located at Room 05-217, Tower A, 468 Dingmao Zhihui Dadao, Zhenjiang New District, Zhenjiang, Jiangsu Province, PRC.

CSC is a wholly owned subsidiary of CHD. CSC was incorporated on August 14, 2014 under the laws of Hong Kong with registered office at Room 8 2/F BLK 2 Mei King Mansion Phase 2, 78 Lok Shan Rd, To Kwan Wan KLN, Hong Kong.

JZIT is a wholly owned subsidiary of CSC. JZIT was incorporated under the laws of the People’s Republic of China on December 24, 2014 as a wholly foreign owned enterprise. Its head office is located at 401-208 Building C1, 15 Wanshou Road, Jiangfu, Pukou, Nanjing, China.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. 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.

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, 2014. The condensed interim financial statements do not include all of the information required for full annual financial statements.

Selected Annual Information

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Total revenue	\$-	\$8,040	\$-
Net loss	\$(742,330)	\$(1,031,705)	\$(1,564,392)
Net loss per share	\$(0.03)	\$(0.05)	\$(0.09)
Total assets	\$9,461	\$23,451	\$55,754

The net loss incurred during the year ended December 31, 2012 was mainly due to the 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.

Compared with the year ended December 31, 2013, the net loss for the year ended December 31, 2014 decreased by \$289,375 or 28%. The decrease of net loss was due to the reduced scale of operations and reduction of rent and utilities, office expenses, and share-based payments.

As the Company had limited funding resources to support its expenditures, the total assets of the Company continued to decline in the past three fiscal years. In the year ended December 31, 2012, 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 year ended December 31, 2012. On January 1, 2014, DCT and GCT signed a memorandum to mutually release each other from any liabilities and expenses arising from the IT services provided by DCT to GCT to offset the expenses related to shared use of certain GCT's office facilities by DCT. Therefore, there was no service fee revenue generated in the year ended December 31, 2014.

Results of Operations

As at September 30, 2015, the Company carried all business activities through DCT and ZZS. Due to limited funding, the development of online game software had been suspended.

On January 1, 2014, DCT and GCT signed a memorandum to mutually release each other from any liabilities and expenses arising from the IT services provided by DCT to GCT to offset the expenses related to shared use of certain GCT's office facilities by DCT. Therefore, there was no service fee revenue generated in the period ended September 30, 2015 (2014: \$nil).

The Company incurred operating expenses of \$193,026 and \$625,094 for the three and nine months ended September 30, 2015, respectively (three and nine months ended September 30, 2014: operating expenses of \$160,214 and \$612,597, respectively).

The comprehensive losses for the three and nine months ended September 30, 2015 were \$275,060 and \$779,030 (three and nine months ended September 30, 2014: comprehensive losses of \$196,913 and \$637,989, respectively).

The operating expenses for the periods consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Salaries, director fee and benefits	106,644	150,973	319,096	493,352
Financing expenses	6,671	-	126,146	-
Amortization	615	552	1,790	1,667
Share-based payments	1,177	4,930	4,917	19,795
Professional fees	3,223	-	49,848	42,000
Research & development expenses	-	-	-	-
Rent and utilities	16,090	-	25,631	30,440
Office expenses	603	337	1,362	2,244
Travel and entertainment	-	-	2,811	3,555
Vehicle and transportation	-	62	43	541
Filing, transfer agent and business license	10,122	3,014	23,036	14,028
Other expenses	49,929	26	71,419	3,630
Bank charges	819	320	1,862	1,345
Foreign exchange gain	(2,867)	-	(2,867)	-
Total operating expenses	193,026	160,214	625,094	612,597

The operating expenses of \$193,026 incurred in the three months ended September 30, 2015 was slightly higher than those incurred in the same period ended September 30, 2014. The decrease of salaries was offset by the increase of rent and other expenses.

The operating expenses of \$625,094 incurred in the nine months ended September 30, 2015 was slightly higher than those incurred in the same period ended September 30, 2014. The decrease of salaries was offset by the increase of financing expenses related to interest payable accrued on the debenture of RMB3 million (equivalent of CAD\$646,272) and other expenses.

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, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Revenue and interest income	\$-	\$-	\$-	\$-
Net loss	\$(193,026)	\$(308,970)	\$(123,098)	\$(129,690)
Loss per share - basic and diluted	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)
Weighted average number of shares - basic and diluted	21,664,902	21,664,902	21,664,902	21,664,902

For the quarters ended:	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Total interest revenues	\$-	\$-	\$-	\$8
Net loss	\$(160,214)	\$(171,867)	\$(280,559)	\$(295,433)
Loss per share - basic and diluted	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)
Weighted average number of shares - basic and diluted	21,664,902	21,513,645	21,387,083	21,387,083

The net loss of \$193,026 incurred in the three months ended September 30, 2015 was slightly higher than that incurred in the same period ended September 30, 2014. The decrease of net loss was due to overall reduction and general and administrative expenses.

The net loss of \$308,970 incurred in the three months ended June 30, 2015 was significantly higher than those incurred in the same period ended June 30, 2014. The increase was mainly due to the one-time financing expenses related to the debt financing of RMB3 million (equivalent of CAD\$646,272) closed on June 30, 2015.

Liquidity

As of September 30, 2015, the Company had current assets in the amount of \$21,350 with \$15,550 in cash (December 31, 2014: current assets of \$6,915 with \$5,546 in cash). The Company had current liabilities of \$1,069,705 as of September 30, 2015 (December 31, 2014: \$928,976). As of September 30, 2015, the Company had working capital deficiency of \$1,048,355 (December 31, 2014: \$922,061). The Company had an accumulated deficit of \$4,128,968 as at September 30, 2015 (December 31, 2014: \$3,503,874). 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.

Capital Resources and Off-Balance Sheet Arrangements

As of September 30, 2015 and December 31, 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		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
CEO, President, and CFO salary	60,000	81,375	180,000	244,125
Directors' fee	13,875	22,875	41,625	68,625
Share-based payments	-	509	-	1,527
	73,875	74,985	221,625	314,277

Amount owing	September 30, 2015	December 31, 2014
	\$	\$
CEO – salary and director fee payable	260,000	125,000
President – salary and director fee payable	80,846	98,760
CFO – salary and director fee payable	5,000	27,000
Directors – directors fee payable	67,875	53,250
Amount due to JSS	42,695	42,695
Amount due to GCT	130,792	262,648
Amount due to CEO	358,156	113,956
	945,364	723,309

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 years ended December 31, 2014 and 2013, 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 period ended September 30, 2015, the Company received \$nil for the cost recovery from GCT and \$nil commission revenue.

As at September 30, 2015, the Company owed \$42,695 to Jiangsu Sheng Si Investment Group (“JSS”), a private company controlled by Mr. Chung Yan Lee (December 31, 2014: \$42,695). The amount is non-interest bearing, uncollateralized, unsecured and repayable on demand.

As at September 30, 2015, the Company owes \$130,792 to GCT (December 31, 2014: \$262,648) for its operation purposes. The balance is no interest bearing and due on demand.

As at September 30, 2015, DCT and CINS together owed \$358,156 to Mr. Chung Yan Lee (December 31, 2014: \$113,956). 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 consolidated statements 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 consolidated 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 consolidated financial statements for the period ended September 30, 2015. Management prepares the consolidated 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:

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. All share based payments were recorded prior to July 1, 2014 and this adoption has no impact on consolidated financial statements.

IAS 36 Impairment of assets

The amendments to IAS 36, issued in May 2013, require:

- Disclosure of the recoverable amount of impaired assets; and
- Additional disclosures about the measurement of the recoverable amount when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount.

The application of this standard did not result in additional disclosure.

IFRS 3 Business combinations

The amendments to IFRS 3, issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1,

2014. This amendment does not have a material impact on the Company's consolidated financial statements.

New accounting pronouncements

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures.

IFRS 9 Financial instruments

IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the "own credit requirement" in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of January 1, 2015 has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements. The Company does not expect this amendment to have a material impact on its consolidated financial statements.

IFRS 13 Fair value measurement

The amendments to IFRS 13, issued in December 2013, clarify that the portfolio exception applies to all contracts within the scope of IFRS 9 Financial instruments or IAS 39 Financial instruments: Recognition and measurement, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial instruments: Presentation. The amendments are effective for annual periods beginning on or after July 1, 2014. The Company does not expect this amendment to have a material impact on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS requires that the transaction price in the customer contract be applied to specific performance obligations. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. The standard is mandatorily effective for annual

periods beginning on or after January 1, 2017. The Company has not fully assessed the impact of IFRS 15 to its recognition of revenue but does not expect a material impact to the recognition of revenue which is already tied to performance obligations.

IAS 16 Property, plant and equipment and IAS 38 Intangible assets

The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The amendments are effective for annual periods beginning on or after July 1, 2014. The Company does not expect this amendment to have a material impact on its consolidated financial statements.

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. The Company does not expect this amendment to have a material impact on its consolidated financial statements.

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 consolidated 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 November 30, 2015, September 30, 2015, and December 31, 2014, the issued and outstanding share capital comprised 21,664,902 common shares.

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 \$1,389,095 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 November 30, 2015 and September 30, 2015, the Company had nil common shares

held in escrow (December 31, 2014: 4,617,098). These escrowed shares have been released every six months over a course of three years.

Special Warrants

As at September 30, 2015, the Company had nil Special Warrants issued and outstanding (December 31, 2014: 63,131,687 Special Warrants). As at September 30, 2015, all of the 63,131,687 Special Warrants expired because the conversion criteria were not met.

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 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.

The stock options granted on March 1, 2013 were considered re-issuance of stock options cancelled on December 14, 2012. The new options were treated as a modification under the accounting guidance for equity-based compensation. Accordingly the incremental costs of \$12,544 associated with the modification was recorded and was determined 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. A total of \$1,177 and \$4,917 of share-based payment was recorded during the three and nine months ended September 30, 2015, respectively, for these options (the three and nine months ended September 30, 2014: \$4,930 and \$19,795, respectively).

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 with a fair value of \$14,428 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.

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.

Outstanding Share Data

The Company has one class of common shares. As at November 30, 2015 and September 30, 2015, there were 21,664,902 common shares outstanding.

The Company has a stock option plan. As at November 30, 2015 and September 30, 2015, there were 1,046,500 stock options outstanding and exercisable.

Additional Information

Additional information about the Company can be found on SEDAR at www.sedar.com.