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GAMEONE HOLDINGS LIMITED

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8282)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Gameone Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2019, together with the unaudited comparative figures for the corresponding periods in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2019

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue	5	20,380	21,842	64,737	80,990
Cost of services rendered		(14,039)	(16,407)	(44,385)	(64,360)
Gross profit		6,341	5,435	20,352	16,630
Other income	5	96	40	325	169
Selling expenses		(2,476)	(4,684)	(10,936)	(12,754)
Administrative expenses		(3,147)	(3,590)	(10,143)	(12,909)
Other expenses		-	(150)	(38)	(150)
Finance cost		(30)	-	(101)	-
(Loss)/profit before income tax		784	(2,949)	(541)	(9,014)
Income tax expense	6	-	-	-	-
(Loss)/profit for the period		784	(2,949)	(541)	(9,014)
Other comprehensive income/(expense) <i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange difference on translation of financial statements of foreign operations		(62)	51	227	363
Other comprehensive income/(expense) for the period		(62)	51	227	363
Total comprehensive income/(expense) for the period		722	(2,898)	(314)	(8,651)
(Loss)/profit for the period attributable to:					
Owners of the Company		784	(2,947)	(441)	(9,012)
Non-controlling interests		-	(2)	(100)	(2)
		784	(2,949)	(541)	(9,014)
Total comprehensive income/(expense) for the period attributable to:					
Owners of the Company		722	(2,896)	(214)	(8,649)
Non-controlling interests		-	(2)	(100)	(2)
		722	(2,898)	(314)	(8,651)
(Loss)/earnings per share – Basic and Diluted	8	0.01	(0.02)	(0.01)	(0.06)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2019

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2019	1,600	41,129	71,458	523	(67,454)	100	47,356
Loss for the period	-	-	-	-	(441)	(100)	(541)
Exchange difference on translation of financial statements of foreign operations	-	-	-	227	-	-	227
Other comprehensive income/ (expense) for the period	-	-	-	227	-	-	227
Total comprehensive income for the period	-	-	-	227	(441)	(100)	(314)
At 30 September 2019 (unaudited)	<u>1,600</u>	<u>41,129</u>	<u>71,458</u>	<u>750</u>	<u>(67,895)</u>	<u>-</u>	<u>47,042</u>
At 1 January 2018	1,600	41,129	71,458	110	(43,114)	394	71,577
Loss for the period	-	-	-	-	(9,012)	(2)	(9,014)
Exchange difference on translation of financial statements of foreign operations	-	-	-	363	-	-	363
Other comprehensive income for the period	-	-	-	363	-	-	363
Total comprehensive income for the period	-	-	-	363	(9,012)	(2)	(8,651)
At 30 September 2018 (unaudited)	<u>1,600</u>	<u>41,129</u>	<u>71,458</u>	<u>473</u>	<u>(52,126)</u>	<u>392</u>	<u>62,926</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2019

1. CORPORATE INFORMATION

Gameone Holdings Limited was incorporated in Cayman Islands with limited liability under the Companies Law of Cayman Islands on 14 April 2010. The Company's registered office is located at PO Box 309, Uglan House, Grand Cayman, KY1-1104 Cayman Islands. The Company's principal place of business is located at Office Unit No.07, 5/F, Workingberg Commercial Building, Nos. 41-47 Marble Road, Hong Kong.

The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 January 2016 (the "**Listing Date**").

The principal activity of the Company is investment holding. The principal activities of the Group are engaged in development, operation, publishing and distribution of online and mobile games in Hong Kong, People's Republic of China (the "**PRC**") and Taiwan.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements for the nine months ended 30 September 2019 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2019 are consistent with those adopted in the Group's audited annual report dated 22 March 2019 (the "**2018 Annual Report**"), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "**New and Revised HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the nine months ended 30 September 2019 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the nine months ended 30 September 2019.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2019 have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements for the nine months ended 30 September 2019 are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Group.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

3. CHANGES IN HKFRSs

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 23, Borrowing Costs

The impact of the adoption of HKFRS 16 Leases have been summarised in below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any material impact on the Group's accounting policies.

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases ("**HKAS 17**"), IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under HKFRS 16 is substantially unchanged under HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Impacts for the period

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised HK\$1,971,000 of right-of-use assets and HK\$2,002,000 of lease liabilities as at 30 September 2019.

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the nine months ended 30 September 2019, the Group recognised HK\$1,384,000 of depreciation charges and HK\$101,000 of interest costs from these leases.

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment. During the period, executive directors regularly review revenue and operating results derived from development, operation, publishing and distribution of online and mobile games and consider as one single operating segment. The game operation income and licence fee income are recognized over time while the game publishing income is recognized at a point in time.

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile.

Geographical information

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
By country/region				
Hong Kong	17,178	19,161	56,322	74,969
Taiwan	2,899	2,256	7,928	5,563
Others	303	425	487	458
	20,380	21,842	64,737	80,990

Information about major customers

So far as the Company is aware, there is no single customer contributed to 10% or more revenue to the Group's revenue for the respective periods.

5. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue				
Game operation income	19,664	21,229	63,414	79,019
Game publishing income	335	552	614	1,624
Royalty income	293	–	401	–
License fee income	88	61	308	347
	<u>20,380</u>	<u>21,842</u>	<u>64,737</u>	<u>80,990</u>
Other income				
Interest income	92	39	269	55
Other income	4	1	56	114
	<u>96</u>	<u>40</u>	<u>325</u>	<u>169</u>
	<u><u>20,476</u></u>	<u><u>21,882</u></u>	<u><u>65,062</u></u>	<u><u>81,159</u></u>

6. INCOME TAX EXPENSE

No Profits Tax for the Taiwan branch has been provided as the Taiwan branch has not generated any tax assessable profits in Taiwan for the period (2018: Nil).

No provision for Hong Kong Profits Tax was made as the Group has not generated any assessable profits in Hong Kong for the period (2018: Nil).

No provision for PRC Enterprise Income Tax was made as the Group has not generated any tax assessable profits in the PRC for the period (2018: Nil).

7. DIVIDENDS

No dividends have been paid or declared by the Company or any of the subsidiaries during the nine months ended 30 September 2019 (2018: Nil).

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share for periods in 2019, is based on the (loss)/earnings attributable to the owners of the Company and on the number of 160,000,000 ordinary shares (nine months ended 30 September 2018: 160,000,000 ordinary shares) in issue, being the number of shares of the Company as at 30 September 2019. Given that there was no movement in the number of ordinary shares in issue during the period, the weighted average number of shares used for the purpose of calculation of the basic (loss)/earnings per share is 160,000,000 for both three months ended 30 September 2019 and nine months ended 30 September 2019 (three months ended 30 September 2018 and nine months ended 30 September 2018: 160,000,000 ordinary shares).

No diluted (loss)/earnings per share is calculated for the three months ended 30 September 2019 and nine months ended 30 September 2019 (2018: Nil) as there was no potential dilutive ordinary share in existence.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are an integrated game developer, operator and publisher focusing on the markets of Hong Kong and Taiwan. We operate and publish our self/co-developed and licensed games in Hong Kong and Taiwan primarily through our game distribution platforms as well as other third-party distribution platforms. We collect payments from players either through our own game platform, third-party distribution platforms such as Apple Store and Google Play, or third-party payment vendors, which include convenience stores selling pre-paid game cards/vouchers. We consider such integration of upstream and downstream services in the value chain of the game industry has provided us with a better market position.

For the nine months ended 30 September 2019, the Group recorded a net loss of approximately HK\$0.5 million while it was approximately HK\$9.0 million for the same period in 2018. In view of the expected game launch date and in order to increase our competition in mobile game market in Hong Kong and Taiwan, the Board will closely monitor the performance of the Group and the Group will continue to pursue the key business strategies to expand our game portfolio through introducing more high-quality licensed games with a focus on mobile games, to consolidate market position and to enhance marketing efforts.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 20.1% from approximately HK\$81.0 million for the nine months ended 30 September 2018 to approximately HK\$64.7 million for the nine months ended 30 September 2019, primarily attributable to the comparatively lower level of recorded revenue in the current period due to the relatively lower revenue contribution from the product launch in the period in contrast with the significant increase in revenue recorded in the corresponding period last year as a result of the launch of Demi-Gods and Semi-Devils (Mobile Version) (天龍八部手機版) in December 2017, which had contributed approximately HK\$41.2 million to the revenue for the nine months ended 30 September 2018.

Cost of services rendered

The Group's cost of services rendered for the nine months ended 30 September 2019 was approximately HK\$44.4 million, representing a decrease of approximately 31.1% from approximately HK\$64.4 million for the corresponding period in 2018, primarily attributable to the combined effect of (i) an approximately HK\$3.9 million decrease in channel fee; (ii) an approximately HK\$13.5 million decrease in royalty expenses primarily resulted from a decrease in our game operation income from our licensed games for the nine months ended 30 September 2019; and (iii) an approximately HK\$2.3 million decrease in amortisation of our intangible assets during the nine months ended 30 September 2019.

Gross profit and gross profit margin

The Group's gross profit for the nine months ended 30 September 2019 was approximately HK\$20.4 million, representing an increase of approximately 22.9% from approximately HK\$16.6 million for the nine months ended 30 September 2018, primarily due to a decrease in royalty expenses and channel fee of our licensed mobile games. The Group's gross profit margin for the nine months ended 30 September 2019 was approximately 31.5%, representing increase of approximately 11.0 percentage points compared to approximately 20.5% for the nine months ended 30 September 2018. The increase in the Group's gross profit margin was primarily due to the decreased in royalty expenses and channel fee of our licensed mobile games.

Selling expenses

The Group's selling expenses for the nine months ended 30 September 2019 were approximately HK\$10.9 million, representing a decrease of approximately 14.8% from approximately HK\$12.8 million for the corresponding period in 2018, primarily attributable to decrease in promotion and advertising expenses for the licensed mobile games.

Administrative expenses

The Group's administrative expenses for the nine months ended 30 September 2019 were approximately HK\$10.1 million, representing decrease of approximately HK\$2.8 million from approximately HK\$12.9 million for the nine months ended 30 September 2018, primarily attributable to decrease in staff costs.

Loss for the period

The Group recorded a loss for the nine months ended 30 September 2019 of approximately HK\$0.5 million as compared with a loss of approximately HK\$9.0 million for the corresponding period in 2018, primarily attributable to the combined effect of (i) an approximately HK\$3.8 million increase in the gross profit for nine months ended 30 September 2019 due to a decrease in the royalty expenses and channel fee from the Group's licensed mobile games; and (ii) a decrease in staff costs due to the decrease of headcount in Taiwan branch and executive director's welfare benefits.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2019, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary shares and underlying shares of the Company

Name of Director/ chief executive	Capacity/Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Ms. Wong Pui Yain (<i>Note 1</i>)	Interest of controlled corporation	66,787,235	41.74%
Mr. Sze Yan Ngai (Chairman) (<i>Note 2</i>)	Interest of controlled corporation/ Interest of spouse	29,004,337	18.13%

Notes:

- (1) Ms. Wong Pui Yain (“**Ms. Wong**”) holds 50% of the issued share capital of PC Asia Limited (“**PC Asia**”), which directly holds 99% and indirectly holds 1%, through PC Asia Nominees Limited (“**PC Asia Nominees**”), of the issued share capital of PC Investment Limited (“**PCIL**”). By virtue of the SFO, Ms. Wong is deemed to be interested in the 66,787,235 shares in which PCIL is interested.
- (2) Mr. Sze Yan Ngai (“**Mr. Sze**”) and Ms. Chan Lai Chu (“**Mrs. Sze**”) hold 50% of the issued share capital of Right One Global Limited (“**Right One**”) respectively, which holds 29,004,337 shares. Mrs. Sze is the spouse of Mr. Sze. By virtue of the SFO, Mr. Sze is deemed to be interested in the shares in which Right One and Mrs. Sze are interested.

Save as disclosed above, as at 30 September 2019, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2019.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors or chief executives of the Company, as at 30 September 2019, the following persons (other than Directors or chief executives of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in ordinary shares and underlying shares of the Company

Name of shareholders	Capacity/Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Mr. Wong Kiam Seng (Note 1)	Interest of controlled corporation	66,787,235	41.74%
PCIL (Note 2)	Beneficial owner	66,787,235	41.74%
PC Asia (Note 2)	Interest of controlled corporation	66,787,235	41.74%
Mrs. Sze (Note 3)	Interest of controlled corporation/ Interest of spouse	29,004,337	18.13%
Right One (Note 4)	Beneficial owner	29,004,337	18.13%
Nineyou International Limited (Note 5)	Beneficial owner	18,367,182	11.48%
New Horizon Capital, L.P. (Note 5)	Interest of controlled corporation	18,367,182	11.48%
Heartland Investment Limited (Note 5)	Interest of controlled corporation	18,367,182	11.48%

Notes:

- (1) PC Asia is beneficially owned by Ms. Wong as to 50% and Mr. Wong Kiam Seng (“**Mr. Wong**”) as to 50%. Mr. Wong is the father of Ms. Wong.
- (2) PCIL is beneficially owned by PC Asia as to 99% and PC Asia Nominees as to 1%. PC Asia Nominees is beneficially owned by PC Asia.
- (3) Mr. Sze and Mrs. Sze hold 50% of the issued share capital of Right One respectively, which holds 29,004,337 shares. Mrs. Sze is the spouse of Mr. Sze. By virtue of the SFO, Mrs. Sze is deemed to be interested in the shares in which Right One and Mr. Sze are interested.
- (4) Right One is beneficially owned by Mr. Sze as to 50% and Mrs. Sze as to 50%.
- (5) Based on the information provided by Nineyou International Limited (“**NYIL**”), NYIL is beneficially owned by Heartland Investment Limited as to approximately 44.44%, Wollerton Investments Pte. Ltd. as to approximately 18.96%, Fair Gold International Limited as to approximately 15.61%, Everstar Overseas Holding Ltd. as to approximately 10.04%, Star Fortune Overseas Holding Limited as to approximately 8.0% and Hongxin International Holdings Limited as to approximately 2.95%, all of whom are independent third parties. Wollerton Investments Pte. Ltd. is owned as to approximately 82.36% by Heartland Investment Limited. Heartland Investment Limited is wholly owned by New Horizon Capital, L.P. which is also an independent third party.

Save as disclosed above, as at 30 September 2019, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section headed “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debenture of the Company” above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the nine months ended 30 September 2019, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisitions or disposals during the nine months ended 30 September 2019.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or any of its respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group during the nine months ended 30 September 2019.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors’ securities transactions in securities of the Company (the “**Required Standard of Dealings**”). Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and there was no event of non-compliance throughout the Reporting Period.

CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the nine months ended 30 September 2019 and up to the date of this announcement.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “**Scheme**”) on 23 December 2015 which will remain in force for a period of 10 years from the effective date of the Scheme. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. The Directors consider the Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The principal terms of the Scheme are summarized in the section headed “Share Option Scheme” in Appendix IV to the Prospectus.

For the nine months ended 30 September 2019, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established by the Board on 23 December 2015 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the Code. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Lu Tak Meng Teddy. The other members are Mr. Yung Kai Tai and Dr. Fung Ying Him Anthony. The primary duties of the Audit Committee are to review and approve the Group’s financial reporting process and the internal control systems of the Group.

The Company has complied with Rule 5.28 of GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2019 with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

EVENTS AFTER THE END OF REPORTING PERIOD

There are no significant events affecting the Group after the reporting period and up to the date of this announcement.

By order of the Board
Gameone Holdings Limited
Sze Yan Ngai
Chairman and Executive Director

Hong Kong, 11 November 2019

As at the date of this announcement, the executive Directors are Mr. Sze Yan Ngai and Mr. Lam Kin Fai; the non-executive Director is Ms. Wong Pui Yin; and the independent non-executive Directors are Mr. Yung Kai Tai, Dr. Fung Ying Him Anthony and Mr. Lu Tak Meng Teddy.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.gameone.com.hk.