



Gameone Holdings Limited
智傲控股有限公司
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8282

2020
First Quarterly Report



火鳳燎原
—亂世英雄—

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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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, 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. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report 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 report misleading.*

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated results of the Group for the three months ended 31 March 2020, together with the unaudited comparative figures for the corresponding periods in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Three Months Ended 31 March 2020

		Three months ended 31 March	
	Notes	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Revenue	4	12,814	22,786
Cost of services rendered		(10,541)	(15,609)
Gross profit		2,273	7,177
Other income	4	127	104
Selling expenses		(2,711)	(4,760)
Administrative expenses		(3,544)	(3,990)
Finance cost		(15)	–
Loss before income tax		(3,870)	(1,469)
Income tax expense	5	–	–
Loss for the period		(3,870)	(1,469)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of financial statements of foreign operations		241	157
Other comprehensive income for the period		241	157
Total comprehensive income for the period		(3,629)	(1,312)
Loss for the period attributable to:			
Owners of the Company		(3,870)	(1,469)
Non-controlling interests		–	–
		(3,870)	(1,469)
Total comprehensive income attributable to:			
Owners of the Company		(3,629)	(1,312)
Non-controlling interests		–	–
		(3,629)	(1,312)
HK\$		HK\$	HK\$
Loss per share	7	(0.02)	(0.01)
– Basic and Diluted			

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Three Months Ended 31 March 2020

	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
(Unaudited)							
At 1 January 2019	1,600	41,129	71,458	523	(67,454)	100	47,356
Loss for the period	-	-	-	-	(1,469)	-	(1,469)
Exchange difference on translation of financial statements of foreign operations	-	-	-	157	-	-	157
Other comprehensive income for the period	-	-	-	157	-	-	157
Total comprehensive income for the period	-	-	-	157	(1,469)	-	(1,312)
At 31 March 2019	1,600	41,129	71,458	680	(68,923)	100	46,044
(Unaudited)							
At 1 January 2020	1,600	41,129	71,458	267	(69,317)	-	45,137
Loss for the period	-	-	-	-	(3,870)	-	(3,870)
Exchange difference on translation of financial statements of foreign operations	-	-	-	241	-	-	241
Other comprehensive income for the period	-	-	-	241	-	-	241
Total comprehensive income for the period	-	-	-	241	(3,870)	-	(3,629)
At 31 March 2020	1,600	41,129	71,458	508	(73,187)	-	41,508

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For The Three Months Ended 31 March 2020

1. CORPORATE INFORMATION

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

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

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (collectively, the "**Group**") are engaged in development, operation, publishing and distribution of online and mobile games in Hong Kong and Taiwan.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements for the three months ended 31 March 2020 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 three months ended 31 March 2020 are consistent with those adopted in the Group's audited annual report dated 27 March 2020 (the "**2019 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 three months ended 31 March 2020 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the three months ended 31 March 2020.

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 three months ended 31 March 2020 have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements for the three months ended 31 March 2020 are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Group.

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 2019.

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. 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 31 March	
	2020 HK\$'000	2019 HK\$'000
By country/region		
Hong Kong (place of domicile)	11,044	19,916
Taiwan	1,662	2,773
Others	108	97
	12,814	22,786

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.

4. REVENUE AND OTHER INCOME

Disaggregation of revenue from contracts with the customers by type categories and other income are as follows:

	Three months ended 31 March	
	2020 HK\$'000	2019 HK\$'000
Revenue from contracts with customer within the scope of HKFRS 15:		
Game operation income	12,505	22,549
Game publishing income	201	89
Royalty income	20	86
License fee income	88	62
	<hr/>	<hr/>
	12,814	22,786
Other income		
Interest income	127	93
Other income	-	11
	<hr/>	<hr/>
	127	104
	<hr/>	<hr/>
	12,941	22,890
	<hr/>	<hr/>

5. 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 respective periods.

No provision for Hong Kong Profits Tax was made as the Group has not generated any tax assessable profits in Hong Kong for the respective periods.

No provision for the People's Republic of China (the "PRC") Enterprise Income Tax was made as the Group has not generated any tax assessable profits in the PRC for the respective periods.

6. DIVIDENDS

No dividends have been paid or declared by the Company or any of the subsidiaries during the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	Three months ended 31 March	
	2020 HK\$'000	2019 HK\$'000
Loss		
Loss for the purpose of basic loss per share		
Loss for the period attributable to owners of the Company	(3,870)	(1,469)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	160,000,000	160,000,000

For the three months ended 31 March 2020 and 2019, the calculation of basic loss per share attributable to owners of the Company was based on (i) the loss attributable to owners of the Company; and (ii) the weighted average number of ordinary shares issued during the period.

No diluted loss per share is calculated for the three months ended 31 March 2020 (three months ended 31 March 2019: Nil) as there was no potential dilutive ordinary share in existence.

8. EVENT 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 report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are an integrated game developer, operator and publisher focusing on the market of Hong Kong and Taiwan. We operate and publish the Group's self/co-developed and licensed games in Hong Kong and Taiwan primarily through the Group's game distribution platforms as well as other third-party distribution platforms. We collect payments from players either through the Group's 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 three months ended 31 March 2020, the Group recorded a net loss of approximately HK\$3.9 million as compared to a net loss of approximately HK\$1.5 million for the same period in 2019. The Directors are of the view that the downturn experienced by the Group during the three months ended 31 March 2020 was due to a tougher competitive condition in the mobile game industry faced by the Group 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 game portfolio through introducing more high-quality licensed games with a focus on mobile games and consolidate market position and enhance marketing efforts.

OUR NEW GAMES

“Teddy Boy M Young and Dangerous” (古惑仔M人在江湖)

“Teddy Boy M Young and Dangerous” is the first massively multiplayer online role-playing game (“MMORPG”) of “Teddy Boy”, which will be launched into the market during the third quarter of 2020.

The Group collaborate with Concord Publishing Limited again to take part in a mobile game research and development (“R&D”) project of the remarkable Hong Kong comic “Teddy Boy” and re-create the long-awaited first “Teddy Boy” MMORPG mobile game “Teddy Boy M Young and Dangerous” (古惑仔M人在江湖). The game also invited two key master figures “Ngau Lo” (牛佬) and “Lun Zuk Kwok” (倫俗國) to engage in the R&D process, in order to make the game have the strongest and most down-to-earth sense of “Teddy Boy”. The game is now scheduled to be officially launched in the third quarter of 2020.

Introduction of “Teddy Boy”:

“Teddy Boy” is a Hong Kong comic published by Concord Publishing Limited with the theme of triads. Since it was first published on 16 April 1992 to the present (22 April 2020), it has become the comic series with the largest numbers of long story units in the world. The story portrays the main character Chan Ho Nam’s “brotherhood” and “justice of the triad society”, and has been borrowed for movies, computer games and mobile games!

“The Ravages of Time – Heroes” (火鳳燎原－亂世英雄)

The Group has been authorized by Tong Li Publishing Group Limited to develop the brand-new mobile game “The Ravages of Time – Heroes” (火鳳燎原－亂世英雄). The new mobile game will be sub-licensed to Shenzhen Qianhai Hongcheng Games Co., Ltd. (深圳市前海弘程遊戲有限公司) in the PRC. The first trial will be conducted in the PRC during the second quarter of 2020. “The Ravages of Time – Heroes” (火鳳燎原－亂世英雄) completely reproduces the 100 warriors created by Mr. Chan Mou. Players from all walks of life will be attacking cities on the same layout at the same time, which the battling and soldier deployment system can be adjusted manually, allowing players to experience the most compelling battles of the Three Kingdoms.

Introduction of the comic “The Ravages of Time”:

“The Ravages of Time” is one of the popular comics published under Tong Li Publishing Group Limited and created by Hong Kong comic artist Mr. Chan Mou with the Three Kingdoms period as background. “The Ravages of Time” has been serialized since 2001. Apart from Hong Kong and Taiwan, the comic series has also been published in Japan, South Korea, Singapore, Thailand, Vietnam and other countries. It is one of the few Chinese comics that can enter the Japanese market. In mainland China, it is published by People’s Literature Publishing House and 99 Readers’ Culture. In addition, the Company’s self-developed mobile version of “The Ravages of Time” has topped the “Bestselling List” and “Download List” of the Apple App Store and Google Play multiple times since operation, which reflected the popularity and support from players in regions such as Hong Kong, Macau, Taiwan, Singapore and Malaysia!

Introduction of “Shenzhen Qianhai Hongcheng Games Co., Ltd.”:

Shenzhen Qianhai Hongcheng Games Co., Ltd. mainly engaged in game research and development, operation, agency distribution and game related investment business. The game team has rich experience in R&D and operation of online games, while the core members of the team have an average game industry experience of more than 6 years, and they are experienced in the development of numerous large-scale online games for PC, Web and mobile phone. So far, many games such as “Tie Xue Wu Lin” (鐵血武林) and “Tie Xue Wu Lin 2” (鐵血武林2) have been loved by players and recognized by the market.

“My Date with a Vampire” (我和殭屍有個約會) to collaborate with “Snacks Battle” (零食大亂鬥)

The Group has been authorized by Fox Networks Group Asia Pacific Limited to grant the copyright of the classic TV series “My Date with a Vampire” (我和殭屍有個約會) to collaborate with “Snacks Battle” (零食大亂鬥), a mobile game developed by Fire Rock Holdings Limited (Stock Code: 1909). At the same time, the Group has entered into a cooperation agreement with Fire Rock Holdings Limited to obtain the operating right of the “Snacks Battle” in Hong Kong, Macau and Taiwan, which is expected to be officially launched during the second quarter of 2020. Through this collaboration, the classic characters of “My Date with a Vampire” (我和殭屍有個約會) will reappear in the game world.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 43.9% from approximately HK\$22.8 million for the three months ended 31 March 2019 to approximately HK\$12.8 million for the three months ended 31 March 2020, it is due to the decrease in the Group's game operation income of licensed games and self/co-developed games.

Cost of services rendered

The Group's cost of services rendered for the three months ended 31 March 2020 was approximately HK\$10.5 million, representing decrease of approximately 32.7% from approximately HK\$15.6 million for the corresponding period in 2019, primarily attributable to the combined effect of (i) an approximately HK\$2.8 million decrease in channel fees; (ii) an approximately HK\$1.8 million decrease in royalty expenses primarily resulted from a decrease in the Group's game operation income from licensed games for the three months ended 31 March 2020; and (iii) a HK\$0.5 million decrease in amortization of the Group's intangible assets during the three months ended 31 March 2020.

Gross profit and gross profit margin

The Group's gross profit for the three months ended 31 March 2020 was approximately HK\$2.3 million, representing a decrease of approximately 68.1% from approximately HK\$7.2 million for the three months ended 31 March 2019, primarily due to a decrease in the Group's game operation income from the licensed mobile games and self/co-developed games.

The Group's gross profit margin for the three months ended 31 March 2020 was approximately 17.7%, representing a decrease of approximately 13.9 percentage points compared to approximately 31.6% for the three months ended 31 March 2019.

Selling expenses

The Group's selling expenses for the three months ended 31 March 2020 were approximately HK\$2.7 million, representing a decrease of approximately 43.8% from approximately HK\$4.8 million for the corresponding period in 2019, primarily attributable to a decrease in promotion and advertising expenses.

Administrative expenses

The Group's administrative expenses for the three months ended 31 March 2020 were approximately HK\$3.5 million, representing a decrease of approximately 12.5% from approximately HK\$4.0 million for the corresponding period in 2019, primarily attributable a decrease in legal and professional fees during the three months ended 31 March 2020.

Loss for the period

The Group recorded a loss for the three months ended 31 March 2020 of approximately HK\$3.9 million as compared with a loss of approximately HK\$1.5 million for the corresponding period in 2019, primarily attributable to the combined effect of (i) an approximately HK\$4.9 million decrease in the gross profit for three months ended 31 March 2020 primarily attributable to a decrease in the Group's revenue contributed by the Group's game operation income from the Group's licensed mobile games and self/co-developed games; and (ii) an approximately HK\$2.1 million decrease in promotion and advertising expenses for the Group's games.

DIVIDENDS

The Board does not recommend the payment of dividend for the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

OTHER INFORMATION

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

As at 31 March 2020, 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 position in Shares and underlying Shares

Name of Director/ chief executive	Capacity/Nature of interest	Total number of Shares	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 31 March 2020, 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors or chief executives of the Company, as at 31 March 2020, 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 of the Company

Name of shareholders	Nature of interest	Number of Shares or securities held	Approximate percentage of interest in the Company
Mr. Wong Kiam Seng (<i>Note 1</i>)	Interest of controlled corporation	66,787,235	41.74%
PCIL (<i>Note 2</i>)	Beneficial owner	66,787,235	41.74%
PC Asia (<i>Note 2</i>)	Interest of controlled corporation	66,787,235	41.74%
Mrs. Sze (<i>Note 3</i>)	Interest of controlled corporation/ Interest of spouse	29,004,337	18.13%
Right One (<i>Note 4</i>)	Beneficial owner	29,004,337	18.13%
Nineyou International Limited (<i>Note 5</i>)	Beneficial owner	18,367,182	11.48%
New Horizon Capital, L.P. (<i>Note 5</i>)	Interest of controlled corporation	18,367,182	11.48%
Heartland Investment Limited (<i>Note 5</i>)	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 being 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 31 March 2020, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section “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.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisitions or disposals during the three months ended 31 March 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the three months ended 31 March 2020, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

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 three months ended 31 March 2020.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.68 of the GEM Listing Rules as the code of conduct regarding Directors securities transactions in securities of the Company (the “**Required Standard of Dealing**”). 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 period under review.

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. To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code during the three months ended 31 March 2020 and up to the date of this report.

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 three months ended 31 March 2020, 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 and C.3.7 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. Iu 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 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 three months ended 31 March 2020 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.

EVENT 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 report.

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

Hong Kong, 8 May 2020

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