



gameone

Gameone Holdings Limited

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8282

2016

Third Quarterly Report



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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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This report, for which the directors (the “**Directors**”) of Gameone Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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 Company and its subsidiaries (collectively, the “Group”) for the three months and nine months ended 30 September 2016, together with the unaudited comparative figures for the corresponding periods in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2016

| | Notes | Three months ended 30 September | | Nine months ended 30 September | |
|--|-------|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | | 2016 (Unaudited) HK\$'000 | 2015 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 | 2015 (Unaudited) HK\$'000 |
| Revenue | 5 | 18,735 | 26,338 | 64,861 | 95,763 |
| Cost of services rendered | | (13,558) | (15,288) | (43,368) | (50,185) |
| Gross profit | | 5,177 | 11,050 | 21,493 | 45,578 |
| Other income | 5 | 74 | 1,273 | 98 | 1,522 |
| Selling expenses | | (4,284) | (3,826) | (10,710) | (14,188) |
| Administrative expenses | | (4,190) | (9,988) | (15,135) | (20,750) |
| Other expenses | | — | — | (118) | (22) |
| (Loss)/profit before income tax | | (3,223) | (1,491) | (4,372) | 12,140 |
| Income tax expense | 6 | 380 | — | — | (3,070) |
| (Loss)/profit for the period | | (2,843) | (1,491) | (4,372) | 9,070 |
| 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 | | (403) | 928 | (622) | 571 |
| Other comprehensive income for the period | | (403) | 928 | (622) | 571 |
| Total comprehensive income for the period attributable to owners of the Company | | (3,246) | (563) | (4,994) | 9,641 |
| (Loss)/earnings per share | | | | | |
| – Basic and Diluted | 8 | (0.02) | (0.01) | (0.03) | 0.08 |



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

| | Share capital HK\$'000 (Note 9) | Share premium HK\$'000 | Capital reserve HK\$'000 | Other reserve HK\$'000 | Translation reserve HK\$'000 | Accumulated losses HK\$'000 | Total equity HK\$'000 |
|--|--|------------------------------|--------------------------------|------------------------------|------------------------------------|-----------------------------------|-----------------------------|
| At 1 January 2016 | 85 | — | — | 71,458 | 1,708 | (16,603) | 56,648 |
| Loss for the period | — | — | — | — | — | (4,372) | (4,372) |
| Exchange difference on translation of financial statements of foreign operations | — | — | — | — | (622) | — | (622) |
| Other comprehensive income for the period | — | — | — | — | (622) | — | (622) |
| Total comprehensive income for the period | — | — | — | — | (622) | (4,372) | (4,994) |
| Issue of share under placing (note 9(b)) | 400 | 49,600 | — | — | — | — | 50,000 |
| Capitalisation issue (note 9(a)) | 1,115 | (1,115) | — | — | — | — | — |
| Share issue expenses | — | (7,356) | — | — | — | — | (7,356) |
| At 30 September 2016 (unaudited) | 1,600 | 41,129 | — | 71,458 | 1,086 | (20,975) | 94,298 |
| At 1 January 2015 | — | — | 646 | 67,897 | 1,085 | (19,701) | 49,927 |
| Profit for the period | — | — | — | — | — | 9,070 | 9,070 |
| Exchange difference on translation of financial statements of foreign operation | — | — | — | — | 571 | — | 571 |
| Other comprehensive income for the period | — | — | — | — | 571 | — | 571 |
| Total comprehensive income for the period | — | — | — | — | 571 | 9,070 | 9,641 |
| Issuance of Pre-IPO ordinary shares of Gameone Inc. | — | — | 20 | 2,980 | — | — | 3,000 |
| At 30 September 2015 (unaudited) | — | — | 666 | 70,877 | 1,656 | (10,631) | 62,568 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

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, Ugland House, Grand Cayman, KY1-1104 Cayman Islands. The Company's principal place of business is located at Room 1808-9, 18/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

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

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

The Company's immediate holding company is PC Investment Limited, incorporated in Hong Kong and its ultimate holding company is PC Asia Limited, also incorporated in Hong Kong.

2. BASIS OF PREPARATION AND PRESENTATION

Through a reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares (the "Reorganisation"), the Company became the holding company of its subsidiaries now comprising the Group since 23 December 2015. Details of the Reorganisation are fully explained in the prospectus of the Company dated 31 December 2015 and the Company's annual report for the year ended 31 December 2015 dated 22 March 2016.

The Directors considered that onegameshow.com Limited ("Onegameshow") is engaged in publishing of magazines and comic books, generating advertising income from online platform, which are not related to the Core Business (the "Non-core Business") and operated and financed separately, therefore they are excluded from the Group. Accordingly, Onegameshow was disposed of on 25 September 2015 as part of the Reorganisation. Results of Onegameshow have been consolidated into the comparative condensed consolidated financial statements for the three months and nine months ended 30 September 2015.

Accordingly, the condensed consolidated financial statements presented for the nine months ended 30 September 2015 were prepared using the principles of merger accounting as if the current group structure had been in existence as at 30 September 2015 and throughout the prior period.

The condensed consolidated financial statements 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 requirements of the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").



2. BASIS OF PREPARATION AND PRESENTATION *(continued)*

This unaudited condensed consolidated financial statements does not include all the information and disclosure required in annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2015. The accounting policies and method of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Company's consolidated financial statements for the year ended 31 December 2015 except for the adoption of the new standards and amendments to the HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA as mentioned in note 3 below.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current period, the Group has adopted new or revised HKFRSs issued by the HKICPA which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 January 2016. There was no material impact on the Group's condensed consolidated financial statements upon the adoption of these new or revised HKFRSs.

The Group has not applied any new or revised HKFRSs that is not yet effective for the current accounting period. The Group is in the process of making assessment of the potential impact of these new or revised HKFRSs.

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 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.



4. SEGMENT INFORMATION *(continued)*

Geographical information

| | Three months ended 30 September | | Nine months ended 30 September | |
|-----------|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 2016 (Unaudited) HK\$'000 | 2015 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 | 2015 (Unaudited) HK\$'000 |
| | By country/region | | | |
| Hong Kong | 16,868 | 23,515 | 59,192 | 86,919 |
| Taiwan | 1,862 | 2,810 | 5,664 | 8,636 |
| Others | 5 | 13 | 5 | 208 |
| | 18,735 | 26,338 | 64,861 | 95,763 |

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 | |
|----------------------------------|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 2016 (Unaudited) HK\$'000 | 2015 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 | 2015 (Unaudited) HK\$'000 |
| | Revenue | | | |
| Game operation income | 18,193 | 25,462 | 62,301 | 93,564 |
| Game publishing income | 386 | 221 | 1,850 | 829 |
| Royalty income | 28 | 127 | 28 | 208 |
| License fee income | 128 | 528 | 682 | 1,162 |
| | 18,735 | 26,338 | 64,861 | 95,763 |
| Other income | | | | |
| Gain on disposal of a subsidiary | — | 944 | — | 944 |
| Interest income | 2 | — | 7 | 2 |
| Other income | 72 | 329 | 91 | 576 |
| | 74 | 1,273 | 98 | 1,522 |
| | 18,809 | 27,611 | 64,959 | 97,285 |



6. INCOME TAX EXPENSE

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|-------------------------|-----------------------------------|-------------------------|
| | 2016 | 2015 | 2016 | 2015 |
| | (Unaudited) HK\$'000 | (Unaudited) HK\$'000 | (Unaudited) HK\$'000 | (Unaudited) HK\$'000 |
| Current tax - Hong Kong Profits Tax – Tax expense/(credit) for the period | (380) | — | — | 3,014 |
| Deferred tax | — | — | — | 56 |
| Income tax expense | <u>(380)</u> | <u>—</u> | <u>—</u> | <u>3,070</u> |

No Profits Tax for the Taiwan branch has been provided as the Taiwan branch has not generated any tax assessable profit in Taiwan for the period (2015:Nil).

A provision for Hong Kong Profits Tax was made at the rate of 16.5% (2015:16.5%) for the Group's estimated assessable profits derived in Hong Kong for the period.

No provision for PRC Enterprise Income Tax was made as the Group has not generated any tax assessable profit in the PRC for the period (2015: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 2016 (nine months ended 30 September 2015: Nil).

8. LOSS/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share for the periods in 2016, is based on the loss attributable to the owners of the Company and on the basis of the weighted average number of 160,000,000 ordinary shares in issue, being the number of shares of the Company after the completion of the Reorganisation, capitalisation issue, and placing of shares upon the listing of the Company's shares on GEM of the Stock Exchange. The weighted average numbers of shares are therefore 160,000,000 and 158,248,175 for the three months ended 30 September 2016 and nine months ended 30 September 2016 respectively.

For the periods in 2015, the calculation is based on the profits attributable to owners of the Company and on the assumption that the proposed 120,000,000 ordinary shares in issue, comprising 8,534,007 shares in issue as at 31 December 2015 and 111,465,993 shares issued pursuant to a capitalisation upon the listing of the Company's shares as if these ordinary shares had been issued throughout the periods, but before the placing of 40,000,000 new shares upon the listing of the Company's shares.

No diluted loss per share is calculated for the nine months ended 30 September 2016 (2015: Nil) as there was no potential dilutive ordinary share in existence.



9. SHARE CAPITAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 14 April 2010. At the date of incorporation, the authorised share capital of the Company was HK\$30,000 divided into 3,000,000 ordinary shares of HK\$0.01 each. One share of HK\$0.01 in the share capital was issued and fully paid to the initial subscribing shareholder and such fully paid subscriber share was transferred to Mr. Sze Yan Ngai, executive director and shareholder of the Company, on 14 April 2010. On 30 September 2015, Mr. Sze transferred one share, which represented entire issued share capital of the Company, to PC Investment Limited, a company incorporated in Hong Kong and the controlling shareholder of the Group.

Authorised share capital

On 23 December 2015, the authorised share capital of the Company was increased from HK\$30,000 to HK\$10,000,000 by creation of an additional 997,000,000 ordinary shares.

Issued and fully paid

| | As at 30 September | | As at 30 September | |
|---|--------------------|------------------|--------------------|------------------|
| | 2016 Number | 2016 HK\$'000 | 2015 Number | 2015 HK\$'000 |
| Ordinary shares | | | | |
| At beginning of periods | 8,534,007 | 85 | 1 | — |
| Capitalisation issue (note (a)) | 111,465,993 | 1,115 | — | — |
| Issued shares under placing (note (b)) | 40,000,000 | 400 | — | — |
| At ending of periods | <u>160,000,000</u> | <u>1,600</u> | <u>1</u> | <u>—</u> |

Notes:

- (a) Pursuant to the written resolution of the shareholders passed on 23 December 2015, the Directors were authorised to capitalise the amount of HK\$1,114,659 standing to the credit of the share premium account of the Company and to appropriate such amount as to capital to pay up in full at par 111,465,993 shares for allotment and issue to the then existing shareholders of the Company, each ranking pari passu in all respects with the then existing issued shares. On 13 January 2016, the Company allotted and issued such shares as aforesaid and gave effect to the capitalisation issue.
- (b) On 13 January 2016, the Company issued 40,000,000 shares pursuant to the Company's listing on GEM of the Stock Exchange by way of placing at a price of HK\$1.25 per share.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are an integrated game developer, operator and publisher focusing in the market 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 2016, the Group recorded a net loss of approximately HK\$4.4 million as compared to a net profit of approximately HK\$9.1 million for the same period in 2015. The Directors are of the view that the downturn experienced by the Group during such nine months ended 30 September 2016 was temporary. In view of the expected game launch date, the Directors believe that the Group's revenue will catch up and the current situation will be improved in the next financial year. To ensure the success of the Group, 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. Generally, the Directors remain optimistic about the future of game industry in Hong Kong.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 32.3% from approximately HK\$95.8 million for the nine months ended 30 September 2015 to approximately HK\$64.9 million for the nine months ended 30 September 2016, primarily attributable to the combined effect of (i) an approximately HK\$17.0 million decrease in its game operation income from its licensed mobile games primarily due to the relatively lower revenue contribution from the product launch during the nine months ended 30 September 2016, 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 3D* (天龍八部3D) in February 2015; (ii) an approximately HK\$1.1 million increase in its game publishing income from mobile games and online PC games; (iii) an approximately HK\$6.5 million decrease in our game operation income from our online PC games for the nine months ended 30 September 2016; and (iv) an approximately HK\$7.5 million decrease in our game operation income from our self-developed mobile games for the nine months ended 30 September 2016.

Cost of services rendered

The Group's cost of services rendered for the nine months ended 30 September 2016 was approximately HK\$43.4 million, representing a decrease of approximately 13.5% from approximately HK\$50.2 million for the corresponding period in 2015, primarily attributable to the combined effect of (i) an approximately HK\$7.5 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 2016; (ii) an approximately HK\$2.9 million increase in staff cost primarily resulted from an increase of basic salary and distribution of discretionary bonus to our staff; (iii) an approximately HK\$1.2 million increase in amortisation of its intangible assets; and (iv) an approximately HK\$3.9 million decrease in channel fee paid during the nine months ended 30 September 2016.



Gross profit and gross profit margin

The Group's gross profit for the nine months ended 30 September 2016 was approximately HK\$21.5 million, representing a decrease of approximately 52.9% from approximately HK\$45.6 million for the nine months ended 30 September 2015, primarily due to a decrease in the Group's game operation income from the Group's licensed games and self-developed games, offsetting by a decrease in the Group's cost of services rendered. The Group's gross profit margin for the nine months ended 30 September 2016 was approximately 33.1%, representing a decrease of approximately 14.5 percentage points compared to approximately 47.6% for the nine months ended 30 September 2015. The decrease in the Group's gross profit margin was primarily due to the decrease in revenue from licensed games and partly due to the increase in fixed cost of services rendered, such as staff cost and amortisation of its intangible assets.

Selling expenses

The Group's selling expenses for the nine months ended 30 September 2016 were approximately HK\$10.7 million, representing a decrease of approximately 24.6% from approximately HK\$14.2 million for the corresponding period in 2015, primarily attributable to approximately HK\$3.6 million decrease in marketing and promotion costs as a result of relatively lower marketing and promotion expense for the introduction of new games for the nine months ended 30 September 2016.

Administrative expenses

The Group's administrative expenses for the nine months ended 30 September 2016 were approximately HK\$15.1 million, representing a decrease of approximately 27.4% from approximately HK\$20.8 million for the nine months ended 30 September 2015, primarily attributable to the combined effect of (i) an approximately HK\$10.2 million decrease in listing expenses for the services rendered by professional parties for the listing process; (ii) an approximately HK\$1.6 million increase in listing-related expenses including the increase in directors emoluments, company secretary fees, compliance advisory fees and other professional fees incurred after the listing; and (iii) an approximately HK\$2.3 million increase in staff costs due to the increase in basic salary and distribution of discretionary bonus to our staff during the nine months ended 30 September 2016.

Loss for the period

The Group recorded a loss for the nine months ended 30 September 2016 of approximately HK\$4.4 million as compared with a profit of approximately HK\$9.1 million for the corresponding period in 2015, primarily attributable to the combined effect of (i) an approximately HK\$24.1 million decrease in the gross profit for the nine months ended 30 September 2016 primarily attributable to a decrease in the Group's revenue contributed by the Group's game operation income from the Group's licensed games and self-developed games; (ii) an approximately HK\$3.5 million decrease in the selling expenses primarily attributable to relatively lower marketing and promotion costs for game promotion; and (iii) an approximately HK\$5.7 million decrease in the administrative expenses primarily attributable to the decrease of listing expenses for the services rendered by professional parties for the listing process.



OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2016, the interests and short positions of the Directors and chief executive 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 ("SFO")) which were 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 5.67 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 Directors/ chief executives | 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>) | Beneficial owner/Interest of controlled corporation/ Interest of spouse | 28,444,337 | 17.78% |

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 21,874,107 Shares. In addition, Mr. Sze and Mrs. Sze hold 6,562,230 Shares and 8,000 Shares of the Company respectively. 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 2016, none of the Directors and chief executive 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 5.67 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 executive of the Company, as at 30 September 2016, the following persons (other than Directors or chief executive 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 5</i>) | Beneficial owner/Interest of controlled corporation/ Interest of spouse | 28,444,337 | 17.78% |
| Right One (<i>Note 3</i>) | Beneficial owner | 21,874,107 | 13.67% |
| Nineyou International Limited (<i>Note 4</i>) | Beneficial owner | 18,367,182 | 11.48% |
| Heartland Investment Limited (<i>Note 4</i>) | Interest of controlled corporation | 18,367,182 | 11.48% |
| New Horizon Capital, L.P. (<i>Note 4</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 holds 50% of the issued share capital of Right One which holds 21,874,107 Shares. By virtue of the SFO, Mr. Sze is deemed to be interested in the Shares in which Right One is interested.
- (4) 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.
- (5) Mrs. Sze and Mr. Sze hold 50% of the issued share capital of Right One which holds 21,874,107 Shares respectively. In addition, Mr. Sze and Mrs. Sze hold 6,562,230 Shares and 8,000 Shares of the Company respectively. 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Shares of the Company have been listed on GEM of the Stock Exchange since the Date of Listing. Save as the listing, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities from the Date of Listing to 30 September 2016.



COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of its respective close associates had engaged in any business that competed or might compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group during the nine months ended 30 September 2016.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings 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. Based on specific enquiry made with each Director, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance from the Date of Listing up to the date of this report.

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Group's compliance adviser, Innovax Capital Limited (the "Compliance Adviser"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 18 December 2015, none of the Compliance Adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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 from the Date of Listing up to the date of this report.

AUDIT COMMITTEE

The audit committee of the Company reviewed the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2016 with the management of the Company and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, Friday, 11 November 2016

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

