



gameone

Gameone Holdings Limited

智傲控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8282

Environmental, Social and
Governance Report

2017



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Gameone Holdings Limited (hereafter called “Gameone” or “the Company”) is committed to improving business performance to maximize stakeholder’s value without compromising the environmental and social aspect, in the hope that it can bring positive impact on both the Company and the community. Aiming to be the market leader in Hong Kong and Taiwan mobile game industry, the Company focuses on developing a wide game product portfolio, ranging from self/co- developed to licensed games as well as leveraging third-party distribution platforms to enrich customer base. The strong relationship with renowned game developers and operators contributed to the success of the business.

We always thrive to meet the expectation of our stakeholders. Our main stakeholders, customers, investors, employees, suppliers, non-governmental organizations, shareholders and local community, post significant impact on the Company’s daily operations. In order to promote mutual understanding, the Company has established a comprehensive communication system to engage different stakeholders. Building on the insight gained from the stakeholders, we roll out sustainability strategy, management and reporting system.

We constantly hope to mitigate emerging risks and exploring new business opportunities. Riding on the current mobile game trend, we are looking further into the transform our products to meet escalating needs.

In addition, top-down approach is implemented to ensure operational efficiency and integrate sustainability into every level. Adopting the above approaches help the Company to achieve the following goals.

1. To minimize the burden on the environment
2. To identify and priorities the environmental and social issues
3. To foster the innovative culture
4. To respond to the crisis and market changes in a timely manner
5. To safeguard human rights and social culture
6. To actively engage stakeholders in the decision-making process
7. To nurture and empower our employees
8. To support the local community

Hard work lies ahead as we continue to grow and operate sustainably, yet, together as a whole, there is nothing to stop us reaching many more milestones.

ABOUT THIS REPORT

Gameone Holdings Limited (“Gameone”) and our subsidiaries are pleased to present our Environmental, Social and Governance Report (“the Report”). The Report focuses on providing an overview of the environmental, social and governance performance of our major operations in Hong Kong, Shenzhen and Taiwan from 1 January 2017 to 31 December 2017. It allows us to conduct thorough performance review and evaluation for better results in the future.

SCOPE OF THE REPORT

This report has been prepared in accordance with the Environment, Social and Governance Reporting Guide of the Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited (HKEx ESG Reporting Guide). Divided into two parts, the first part highlights the environmental initiatives carried out by the Company, whereas the latter part elaborates on the social impact brought by the Company in both Hong Kong, Shenzhen and Taiwan, during the financial year 1 January 2017 to 31 December 2017. This report set out the work we have done in the past and the future plans for sustainability.

Apart from focusing on our organizational values, strategy and core competency that contribute to our sustainable development, we also considered the ESG challenges reported by our competitors to allow us to identify potential sustainability issues we may face in the future.

For this year, the material ESG issues are those which have or may have a significant impact on:

- Hong Kong’s mobile game industry;
- The environment or society now or in the future;
- Our financial performance or operations; and/or
- Our stakeholders’ assessments, decisions and actions.

The data and information cited in this report are referred to our archived documents, records, statistics and research. In this respect, financial data is extracted from or calculated by reference to Gameone’s audited annual accounts for the year ended 31 December 2017.

ABOUT THIS REPORT

FEEDBACK

For details in relation to our financial performance and corporate governance, please visit our website on www.gameone.com.hk and/or see our Annual Report for the year ended 31 December 2017. We also treasure your feedback and comments on our sustainability performance, please send your feedback and other sustainability enquires to our Custom Service Manager at goinfo@gameone.com.

YOUR FEEDBACK

We welcome your feedback on our sustainability report. Please contact us via Customer Service at



goinfo@gameone.com

ABOUT GAMEONE

OUR BUSINESS

Established in 1999 and listed on the GEM Board of HKEx in 2016. We are principally engaged in development, operation and publishing of mobile games, online games and PC games. In recent years, we have shifted our strategic focus from online PC games and web games to mobile games. We have successfully secure rights to adopt popular literatures, comics and animations to maximize the market recognition and receptiveness and attracting readers of these popular literatures, comics and animations to play games.

Gameone has grown with the mobile game industry in Hong Kong, and supported its development as the market leader. We focus on upholding high product quality standards and operational efficiency, while being responsible to our people, the community and the environment. We are fully committed to complying with the regulations and requirement.

OUR VISION

To become the leading mobile game operator and developer in the mobile game industry in Hong Kong, Shenzhen and Taiwan.

OUR GOAL

To fully utilize existing games and development rights to broaden our revenue stream, and enhance our game development capacity, as well as to increase the investment in game technology and thus the number of self-developed games.

BOARD OF DIRECTORS

As of 31 December 2017, the Board consists of:

Executive Directors	Non-Executive Director	Independent Non-Executive Directors
Mr. Sze Yan Ngai	Ms. Wong Pui Yain	Mr. Yung Kai Tai
Mr. Lam Kin Fai		Dr. Fung Ying Him Anthony
		Mr. Lu Tak Meng Teddy

STAKEHOLDER ENGAGEMENT

To maintain and establish good corporate governance, we regard stakeholder engagement the gateway to success. The first step to achieving this will be cultivating mutual understanding and communication with stakeholders along the value chain, i.e. suppliers, distributors, customers, employees, shareholders and the society. Direct dialogue will always be the most preferable option, online platform is always another way to strengthen the relationship with stakeholders.

Stakeholders	Possible concerned issues	Communication and responses
HKEx	Compliance of listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements
Government	Compliance of laws and regulations, preventing tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information
Suppliers	Payment schedule, stable demand.	Site visits
Investors	Corporate governance system, business strategies and performance, investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, financial reports or operation reports for investors, media and analysts
Media & Public	Corporate governance, environmental protection, human right	Issue of newsletters on the Company's web site
Customers	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, after-sales services
Employees	Rights and benefits, employee compensation, training and development, work hours, working environment.	Conducting union activities, trainings, interviews for employees, issuing employee handbooks, internal memos, employee suggestion boxes
Community	Community environment, employment and community development, social welfare.	Developing community activities, employee voluntary activities and community welfare subsidies and donations.

SECTION A: ENVIRONMENTAL

Energy and Water Consumption

We regard sustainability the cornerstone of our corporate culture, so ingraining environmental and socio-economic considerations into our decision-making processes is of utmost importance.

Currently, we have 2 offices and 1 warehouse in Hong Kong, 1 office in Shenzhen and 1 office in Taiwan. The main source of carbon emission comes from the electricity consumption, so we target to maintain greenhouse gas emission to the minimal level by carrying out a series of green initiatives.

Energy Conservation

- Prefer energy-efficient electronic appliances over the non-efficient ones i.e. energy-saving light bulb, grade 1 product on energy label
- Shut down central air-conditioning system after 6pm
- Post “Please save energy label” reminder to encourage employees to turn off appliances before leaving
- Installing glass windows to enable sunlight penetrating into the room



Total Greenhouse gas emitted due to electricity consumption (in KG CO2)

Hong Kong	Taiwan	Shenzhen
70,377.94	14,950.00	4,772.16
(↓10.1%)	(↓9.4%)	N/A

SECTION A: ENVIRONMENTAL

The total energy consumption has increased when compared to last year due to the opening of new office in Hong Kong. Yet, with the help of our forward-looking policies on improving the environment, helping the community to grow and maintaining strong governance practices, we achieved huge success in raising employees' awareness towards energy conservation. We are confident to reduce the carbon emission intensity and the electricity consumption in the coming years.

We are committed to using all resources including water efficiently and conservatively. Notwithstanding our office in Hong Kong and Shenzhen use public water tap shared by the buildings, we are still endeavoring to change employees' mindset to gear towards environmental protection. For Taiwan offices where water tap is installed, we follow the below green practices to avoid water wastage.

Water Conservation

- Keep track on the water usage
- Regularly check up on water tape
- "Save Water" notices posted as reminder

WASTE MANAGEMENT

Electronic Waste

We acknowledge the fact that waste electrical and electronic equipment is the fastest growing waste sector in the world. To alleviate the problem, we aim to increase the lifespan of each computer by upgrading the hardware or software. At the same time, we promote the concept of replacing the particular depleted computer components instead of the whole computer. Reducing the replenishment rate of the computer components is not our only mission, we also send all depleted computer components to the licensed recycling collectors to lessen the environmental impact associated with electronic manufacturing from raw materials, as well as to reduce hazardous and toxic substances handled during disposal. Thanks to the collective efforts, we maintain a zero record for electronic component disposal in 2017 in the business units in Hong Kong.



ZERO

cases of disposals

SECTION A: ENVIRONMENTAL

PAPER WASTE

We do not involve in any manufacturing or production process, so no hazardous waste is produced. On the other hand, paper is the main source of non-hazardous waste. To this regard, eliminating the need to print paper and creating a paperless working environment is our primary goal. We set to achieve goals on reducing, reusing and recycling paper products. The following measures encourage our employee to take immediate actions and advocate efficient use of paper. All the green initiatives aside, we are proud to announce that in 2017, we stop the production of paper GO Card, but use digital GO Card instead to reduce the paper wastage.

Under current procurement practice, we usually choose the socially committed paper supplier. Inspired by the vision of creating employment to underprivileged community and creating sustainable initiatives by our current paper producer, we will continue to procure paper from sustainable sourced producer.

Reducing paper usage

- Replace paper form GO Card with digital GO Card to save packaging materials
- Switch from using paper document to digital documents
- Use both sides of the paper
- “Save Paper” reminder posted on photocopiers
- Recycle used paper



Put recycling into action!

We believe that continued business success relies on the full contribution and support of our talented employees. This is why we seek to improve our family friendly employment policies. Our human resources policies and procedures, including recruitment, probation, termination, promotion, retirement, transfer, appraisal, working hours, salary, bonus, entitled leave and medical benefits, comply with the relevant legislation in Hong Kong, Shenzhen and Taiwan.

DIVERSITY & INCLUSION

Diversity, in age, gender, ethnicity, brings innovative ideas to the Company. We fight to eliminate discrimination on the grounds of sex, marital status, pregnancy, disability, family status and race. Skill set and experience are the most important criterion that we are looking into during the hiring process.

BENEFITS AND WELFARE

We consider our employees the key to sustainable business growth and hence we offer a competitive remuneration package to our employees, including mandatory retirement funds, insurance, annual leaves.

To avoid non-compliance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485) and law by Inland Revenue Department, enrollments are filed to the MPF trustee and Inland Revenue Department on a timely basis.

For the staff working in Shenzhen, they are all enrolled into Social Security Scheme and Housing Provident Fund within the first month of employment.

We are devoted to identify and groom the next generation of leadership, so our management conduct appraisal for employees every March to determine salary adjustment and promotion.

To reward top-performing employees and show appreciation to their contribution, discretionary bonus will be granted to eligible employees in February based on the Company's and individual performance. On top of that, for employees who pass the probation are covered by insurance. Employees who are on business trip is protected by travel insurance, in case if there are any emergencies.

SECTION B: SOCIAL

WORKING HOURS

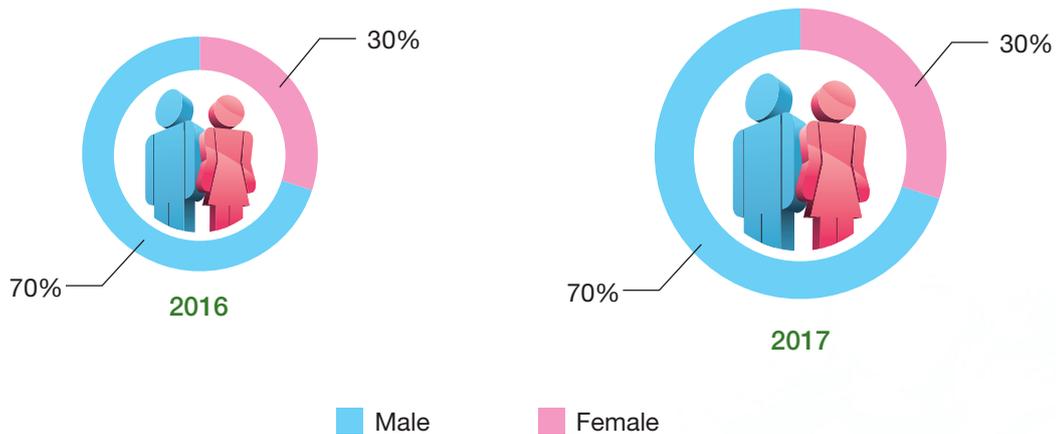
To achieve work-life balance, we do not encourage employees to work overtime, in which our normal working hour is 40 hours per week, which is less than the average in Hong Kong, 50 hours.

PEOPLE

We have over 82 employees at 31 December 2017, in which female comprises of 28% while male comprises of 72%. Considering the male to female ratio in the gaming industry, the Company has more or less the same rate as other companies. Amid the high turnover rate in the whole industry, we maintained a healthy turnover rate of 0.7%. It all comes down to the effort of our friendly HR policies and happy working environment. We will take all the measures we can to combat the challenge of attracting and retaining a talented workforce.

To strengthen the bonding with employees, we often organise gathering events such as annual dinner.

Total Employees



TRAINING AND DEVELOPMENT

To familiarise employees with the vision and mission of the Company, department head hold an internal training session with newly-joined staff. Along with the orientation training, monthly on-job training is provided to all employees to realise their talents fully. Not only has the Company encouraged employees to join internal training, but also training courses outside the Company so as to keep pace with the latest development in the industry.

Aiming to empower the team, the management is motivated to join training courses on corporate governance and anti-money laundering course. Annie, Li On Lei, Financial Controller of the Company, actively participated in corporate governance and finance related courses, such as Carbon Audit Seminar for Listed Companies, Overview on Responsibilities of Directors of Listed Company under the GEM Listing Rules, Fraud Risk Management: Developing a Strategy for Prevention, Detection and Response e-Learning etc.

SUPPLY CHAIN MANAGEMENT

Establishing a successful and beneficial relationship with supplier is one of our objectives as we view them as partners in helping us to grow the business. We form strategic alliance with renowned game developers, distributors and operators to collectively develop high-quality licensed games and obtain exclusive game rights to enrich our product profile.

Before cooperation, the Company assesses the supplier based on several criteria, namely program management, R&D and game structure and program security. As game content is of our top priority, only those which fulfil the basic requirements are eligible for cooperation. Upon the establishment of partnership, we closely monitor the performance of our strategic partners and constantly maintain an open dialogue to articulate each other's concerns and needs. If supplier performance is not up-to- standard or if we find out any misconduct by our partners, the cooperation will be terminated instantly.

Number of suppliers in 2017			
Taiwan	China	Hong Kong	Japan
5	17	5	2

SECTION B: SOCIAL

LABOUR STANDARD

Child labour and forced labour are strictly forbidden in the Company. Each candidate should present their identity documents before the start of the interview, so as to prevent child labour.

On the other hand, we encourage employees to voice out their concerns over workplace dispute. In case if the employee experienced any harassment or mistreatment, supervisors is here to assist on the issue. If serious offense involved, employees may terminate the employment contract without notice when one has reasonably fears physical danger by violence or if one is subjected to ill-treatment by the employer.

OCCUPATIONAL SAFETY AND HEALTH

We take a systematic approach to safeguard the health and safety of our employee by identifying and mitigating the potential office safety risks. Safety procedures have been included in the staff handbook to give guidance and improve employee's responsiveness to emergencies. Employees must report to the supervisors in case of accidents. During 2017, there was no instance of injury reported within our Company.

First aid kit and fire extinguisher are being placed in the pantry in case of injuries and emergencies.

We also understand the importance of preparedness in disaster management, so we strongly recommend our staff to participate in fire drill. Notices of fire drill details and the escape route has been posted to give explicit instruction.



In case of unlikely accidents happened during workplace, the liability of all employees irrespective of the length of employment contract or working hours, full- time or part-time, permanent job or temporary employment are covered by the insurance policy.

INTELLECTUAL PROPERTY RIGHT

The Company acknowledges the importance of intellectual property rights so we have set out our policies and principles. It includes usage of computer software, copyright protection, and customer data protection etc.

As to protect copyright, unless approved by the management or head of Information technology department, no one is allowed to copy or modify the computer software installed.

The Company often collaborates with other gaming companies or individuals to obtain the copyright of creative work or anime characters. To ensure there is no infringement of copyright, contracts with relevant parties are signed. The policies and procedures regarding the contract signing process and the right to use the copyright have been in place.

It is our intention to keep updating our related policy according to the latest rules and regulations so to ensure that it is in line with the best practices.

CUSTOMER & EMPLOYEE DATA PRIVACY

To comply with Personal Data (Privacy) Ordinance (Cap. 486), notice on customer data collection and personal information collection statement have been posted online to keep the users informed about the purpose of data collection. It is our policy to destroy customer information associated with game accounts which are not active for more than one year.

We also have guideline to safeguard employee data privacy.

In 2017, we have received no complaints from privacy commissioner for personal data.

R&D DATA PROTECTION

Documents of research and development are strictly confidential and should be handled with care. To prevent the leakage of sensitive information, unless approved, no one is allowed to bring their personal computers to work.

The information technology department updates the computer system regularly and backup the information in case there is any accident or system breakdown.

SECTION B: SOCIAL

PRODUCT RESPONSIBILITY

At its core, every action that Gameone takes closely related to our vision: To expand the game portfolio by procuring high-quality licensed games and to diversify our game portfolio and to maintain novelty of our games. The R&D team and the management constantly keep a close eye on the game content. As such, all of our games do not contain any nudity content, which is required in Article 44 of the Children Protection Act and Electronic Game Arcade Business Regulation Act in Taiwan.

We make every effort to implement stringent quality control measures to ensure the quality of licensed games. Before the launch of each game, our game developers conduct a thorough check to fix bugs and to add additional features to the finalised version. Before rolling out the game, we ensure that it meet the highest quality standards it possibly can.

Say No *to Nudity*

CUSTOMER COMPLAINTS

In addition to gauging the performance of our business based on sales and number of downloads based on satisfaction, we assess performance concerning the number of customer enquiries and complaints.

Our service pledge is to follow up complaints in a timely manner and provide quality customer service.

To engage with customers, customer service platform has been set up online. Well trained representatives are always ready to promptly respond to enquiries, requests and complaints. All escalated cases will be examined thoroughly and passed to the relevant department for developing resolutions.

In year 2017, there were no substantial legal dispute customer complaints in Hong Kong.

ANTI-CORRUPTION & WHISTLE-BLOWING

Our Company is highly cautious about misconduct related to bribery and conflict of interest and prohibits corruption practices by all means. All employees including the directors must follow policy on the acceptance of benefits stipulated in the staff guideline. Unless agreed by the Company, employees are not allowed to offer, request or accept any advantages from people who have a stake in our business such as customers, suppliers, authorities, or any other stakeholders. Employees are also obligated to follow the rules and to keep the Company notified about the conflict of interests related issues. All employees are expected to comply with the staff handbook; employees who breach the staff handbook will be subject to disciplinary action or even termination in serious offense.

Progress has been made towards putting an effective anti-corruption system in place. During the financial year 2017-2018, we maintain a zero record of corruption claims.

All employees including directors are obligated to report any suspected misconduct or malpractice within the Company through a confidential reporting channel, including but not limited to, email complaints, face to face interview. Related complaints or cases are handled by the human resources department, department head and even the CEO. Our Company is committed to address all the concerns and take remedial actions.

COMMUNITY INVESTMENT

We embrace social responsibility by encouraging our employee to volunteer and to contribute to good causes. Our Company is particularly dedicated to advocating youth education and cultural exchange through community services.

As a responsible enterprise, Our Company engaged in ongoing community work and sponsored the event of “Pok Oi x Old Master Q Hong Kong Charity Run 2017” held by Pok Oi Hospital, an recognized charity organization in Hong Kong. In the hope to show support to the underprivileged group in the society, the Company as a whole, worked together to raise and donate HK\$20,000. In the coming year, we will continue to expand community activities at all of our portfolios to serve the interest of the society.

KEY PERFORMANCE INDICATOR

Location of operation	Energy use and emissions	Unit	Year ended	Year ended
			31 December 2016	31 December 2017
Hong Kong	Electricity	kWh	99,074	89,086
		KG CO2	78,268	70,378
Taiwan	Electricity	kWh	31,176	28,238
		KG CO2	19,859	14,950
Shenzhen	Electricity	kWh	N/A	5,279
		KG CO2	N/A	4,772

Location of operation	Energy use and emissions	Unit	Year ended	Year ended
			31 December 2016	31 December 2017
Hong Kong	Water	Cubic metre	65	N/A
	Paper	Ream	171	131
Taiwan	Water	Cubic metre	1,200	90,000
	Paper	Gram	63,189	700
Shenzhen	Water	Cubic metre	1	N/A
	Paper	Gram	144,000	No paper bought

KEY PERFORMANCE INDICATOR

Part B Social

Employment Indicators	Year ended 31 December 2016	Year ended 31 December 2017
Employment		
Total number of employees	82	82
By gender		
Male	59	59
Female	23	23
By age group		
20 to 30	42	40
31 to 40	23	25
Over 40	17	17
By region		
Hong Kong	60	60
Taiwan	12	12
Mainland China	10	10
By employment type		
Permanent	79	79
Part-time	3	3

Employment Indicators	Year ended 31 December 2016	Year ended 31 December 2017
Employment turnover		
Total number of employee turnover	23	9
By gender		
Male	17	9
Female	6	0
By age group		
20 to 30	11	8
31 to 40	9	1
Over 40	3	0
By region		
Hong Kong	9	7
Taiwan	9	2
Mainland China	5	0

KEY PERFORMANCE INDICATOR

	Year ended 31 December 2016	Year ended 31 December 2017
Health and Safety Indicators		
Number of reported injuries	N/A	N/A
Injury rate	N/A	N/A
Number of lost days	N/A	N/A
Lost day rate	N/A	N/A
Development and Training Indicators in Hong Kong		
Total number of hours of internal training received by employees	26.50	16.75
Average hours of training per employee	0.32	4.46
Supply Chain Indicators		
Supplier management		
Total number of suppliers	39	29
By region		
Hong Kong	12	5
Mainland China	16	17
Taiwan	6	5
Others	5	2
Product Responsibility Indicators		
Product Responsibility		
Total number of games ordered	37	32
Total number of products subject to recalls for safety and health reason	N/A	N/A
Total number of compliants recieved	5	0
Total number of legal dispute cases	0	1 in Taiwan

KEY PERFORMANCE INDICATOR

Anti-corruption Indicators

Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of cases

Year ended 31 December 2016	Year ended 31 December 2017
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0	0
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Community Indicators

Community investment
Corporate charitable donation
Employee volunteering
Number of employee volunteer

Year ended 31 December 2016	Year ended 31 December 2017
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HK \$	HK \$
15,000	20,000
Headcount	Headcount
6	0