



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 2018



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Gameone Holdings Limited (hereafter called “Gameone” or the “Company”) and its subsidiaries (collectively, the “Group” or “we”) are committed to improving business performance to maximize stakeholders’ value without compromising the environmental and social aspect, in the hope that it can bring positive impact on both the Group and the community. Aiming to be the market leader in Hong Kong and Taiwan mobile game industry, the Group 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 for meeting the expectation of our stakeholders. Our main stakeholders, including customers, potential investors and shareholders, employees, suppliers, non-governmental organizations (“NGOs”) and local community, post significant impact on the Group’s daily operations. Building on the insight gained from the stakeholders, we roll out a sustainability strategy, management and reporting system.

We constantly hope to mitigate emerging risks and explore new business opportunities. Riding on the current mobile game trend, we are hoping to refine our products to meet the escalating customers’ needs.

To implement sustainability strategies which apply to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

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 more milestones.



ABOUT THIS REPORT

The Group is pleased to present its Environmental, Social and Governance (“ESG”) 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 for the year ended 31 December 2018 (the “Reporting Year”). 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 “Environmental, Social and Governance Reporting Guide” in Appendix 20 to the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Divided into two parts, the first part highlights the environmental initiatives carried out by the Group, whereas the latter part elaborates on the social impact brought by the Group in both Hong Kong, Shenzhen and Taiwan, during the Reporting Year. This report set out the work we have done in the past and the future plans for sustainability.

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

- Hong Kong’s mobile game industry;
- The global mobile game market;
- The current or future environment or society in which we operate;
- Our financial performance or operations; and/or
- Our stakeholders’ assessments, decisions and actions.

The data and information used in this report are referenced from our archived documents, records, statistics and research. Financial data is extracted from or calculated based on the Group’s audited annual financial statements for the year ended 31 December 2018.

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. We also treasure your feedback and comments on our ESG performance, please send your feedback and other sustainability enquires to our Customer 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

Gameone was listed on GEM of the Stock Exchange in 2016. We are principally engaged in development, operation and publishing of mobile games, online games and computer games. In recent years, we have shifted our strategic focus from online computer games and web games to mobile games. Most of our mobile game plots are authorized by popular literatures, comics and animations. In this regards, we have successfully maximized market recognition and attracted readers of these works to play our games.

Gameone has grown with the mobile game industry in Hong Kong, and supported its development as a 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 requirements.

OUR VISION

To maintain the leading game operator and developer position in the industry for the sake of providing high quality and variety of games in Hong Kong, Shenzhen and Taiwan.

OUR GOAL

To fully utilize existing games and development rights to broaden our revenue stream, to 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 (“THE BOARD”)

As of 31 December 2018, the Board consists of:

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

OUR STAKEHOLDERS

The Group actively strives to better understand and engage our stakeholders to ensure continuous improvements. We strongly believe that our stakeholders play a crucial role in sustaining the success of our business in the challenging market.

Stakeholders	Probable issues of concern	Communication and responses
HKEx	Compliance with listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
Government	Compliance with laws and regulations, prevention of 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, and investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, issuing of financial reports and/or operation reports for investors, media and analysts.
Media & Public	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
Customers	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services.
Employees	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, employee suggestion boxes.
Community	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

SECTION A: ENVIRONMENTAL

The Group fully understands that the global environmental concerns significantly influence the Group's business sustainability. In this respect, we are committed to develop and expand our business without compensating the environment. Thus, we strive hard to integrate environmental sustainability into our core business operations through various means so as to reduce the related carbon footprints and the relevant intensity level¹. For the Reporting Year, there was no material non-compliance issue with relevant laws and regulations related to the environment. The Group will continue to be alert to any non-compliance behavior relating to critical environmental problems.

EMISSIONS

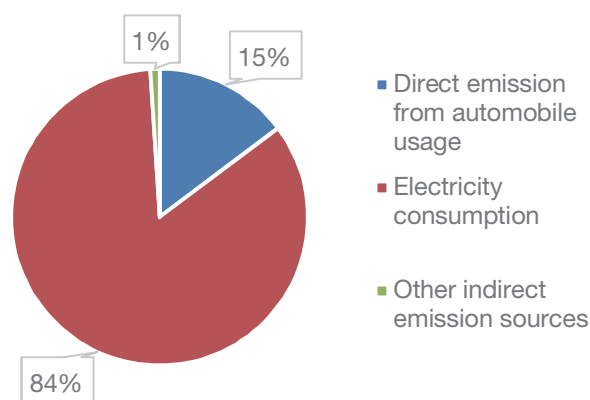
Air Pollution Emission

As the Group's core business activity is development, operation and publishing of various kinds of digital games, the only air pollution emission source is the usage of company cars for transferring our management, clients and employees. The material air pollutants emitted from the automobile usage are mainly composed of sulphur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter ("PM"). The total air pollutants produced amounted to approximately 4.22 kg with an intensity of approximately 0.06 kg per employee.

Greenhouse Gases Emission

The fundamental sources of the greenhouse gases ("GHG") emission for the Group was the electricity consumption² and the aforementioned automobile usage. In addition, there were also several kinds of other indirect emission sources contributing to the Group's carbon footprints, noted as the electricity consumed in fresh water and sewage processing³, paper waste disposal at landfills and business air travels by our employees. During the Reporting Year, the total GHG emission by the Group weighted to approximately 92.99 tonnes with an intensity of approximately 1.35 tonnes per employee.

GHG Emission from Different Sources



- ¹ The different intensity figures in this report are calculated per employee, with a total number of 69 employees as at 31 December 2018.
- ² The emission factors of electricity consumption in Shenzhen and Taiwan were assumed to be at 0.63 kg per kWh, which was as same as the case in Hong Kong.
- ³ The per unit electricity consumption for processing fresh water and sewage in Shenzhen and Taiwan was assumed to be at 0.575 and 0.2886 kWh, which was as same as the case in Hong Kong according to the 2016/2017 Annual Report of Water Supplies Department and Drainage Services Department, HKSAR.

SECTION A: ENVIRONMENTAL

Compared to the financial year 2017, the total GHG emission due to electricity consumption decreased by approximately 12.99% during the Reporting Year.

Region	GHG emission due to electricity consumption		
	2017 (tonnes)	2018 (tonnes)	Change in %
Hong Kong	70.38	56.83	↓ 19.25%
Shenzhen	4.77	4.34	↓ 9.01%
Taiwan	14.95	17.23	↑ 15.25%
Grand Total	90.10	78.40	↓ 12.99%

Waste Management

Hazardous Waste

The Group is principally engaged in development, operation and publishing digital games. Thus, there was no significant amount of hazardous waste produced to be identified for the Reporting Year.

Non-hazardous Waste

The non-hazardous waste produced by the Group was mainly the paper waste produced in daily office operations. The total paper waste disposed by the Group during the Reporting Year weighted to approximately 174.53 kg with an intensity of approximately 2.53 kg per employee.

To reduce both direct and indirect adverse impacts on the environment due to paper production process, we strive for eliminating the need of paper-printing and creating a paperless working environment. We have replaced all printed GO Card with digital GO Card selling on online platforms and switched gradually from using printed-document to digital documents. We also encourage our staff to reuse single-side-printed paper and use less paper printing when unnecessary. Collection boxes of paper products are also placed in office for recycling purpose. Not only saving paper can help us reduce the carbon footprints as aforementioned in Greenhouse Gases Emission, it can also alleviate the negative impacts provoked by logging process.



Collection box placed in office



Paper-saving label on printer

SECTION A: ENVIRONMENTAL

USE OF RESOURCES

To maintain the position as an environmental-sustainable enterprise, we have implemented certain kinds of measures to reduce carbon emissions in our daily operations.

Electricity consumption

As aforementioned in Greenhouse Gases Emission, the electricity consumption was the key culprit leading to the Group's GHG emission. During the Reporting Year, the total electricity consumption amounted to approximately 124.24 MWh with an intensity of approximately 1.80 MWh per employee.

We have emphasized the importance of energy conservation. In the office, we have encouraged our staff to develop an energy-saving habit by using natural lighting whenever possible instead of electric lighting. We spur every employee to switch off all idle appliances. Besides, we choose to use energy efficient appliances in the office to reduce unnecessary electricity consumption. In the foreseeable future, we promise to make more efforts on the topic of energy conservation to further reduce our carbon footprints.



Natural lighting in the office



Energy-efficient appliance



Labels reminding our staff to switch off appliances before leaving the office



SECTION A: ENVIRONMENTAL

Water consumption

One of our fundamental goals is to treasure water resource since it is always the most precious natural resource. During the Reporting Year, the Group consumed 172 m³ water in our daily business operations with an intensity of 2.49 m³ per employee. As our water sources were from the governmental body, there was no water supply issue identified for the Reporting Year. To cherish water resource as well as to whittle down the indirect consumption of electricity during water processing, we have posted labels in the office to encourage our staff to save and use less water when unnecessary.

Packaging Materials

Since all physical GO Cards were replaced by digital GO Cards, there was no significant usage of packaging materials can be identified for the Reporting Year.

THE ENVIRONMENTAL AND NATURAL RESOURCES

Alongside the aforementioned aspects, the Group has also developed a set of written policy for its employees to comply with for the sake of minimizing the negative impact on the environment. The policy encourages our staff to:

1. Switch off all idle appliances before leaving the office;
2. Maintain air-conditioning at a reasonable temperature level (e.g. 25.5°C);
3. Carry out regular checks and maintenance on electrical appliances to avoid any energy inefficiency;
4. Regularly monitor the level of usage of electricity and water; and
5. Reuse and recycle paper products.

As for our efforts made on environmental protection, we are pleased to report that there was no material non-compliance issue regarding relevant laws and regulations for the Reporting Year. We promise to make continuous efforts on environmental protection in the coming future for the mutual sustainability of our business and the environment.

SECTION B: SOCIAL

EMPLOYMENT

We believe that continued business success relies on the full contribution and support of our talented employees. To seek mutual interests for both, we nurture our staff and aim to grow with our employees for the future boom of the Group. During the Reporting Year, there was no labor dispute cases reported by the Group.

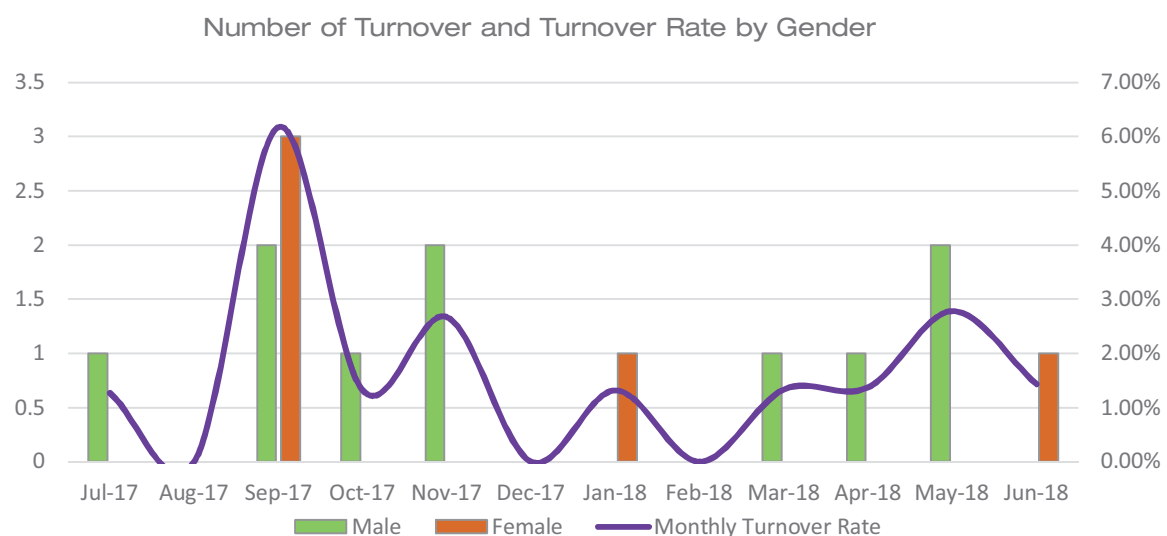
Employee Benefits

To treasure our employees as the most important asset, we offer competitive and attractive remuneration package to them. The remuneration package includes overtime compensation, year-end bonus, 7 to 14 days of annual leave, maternity leave, group medical insurance, Employees Compensation Insurance, retirement benefits, induction and on-job training. Social Insurance and Housing Provident Fund will also be provided to our Shenzhen employees. The Group regularly organizes different kinds of company activities such as departmental dinner and staff's birthday party.

Continuous assessments will be performed on our employees so as to provide necessary directed trainings to them to improve their skills and knowledge for the sake of keeping them up to the Group's standard. To reward top-performing employees and show appreciation to their contribution, discretionary bonus would be granted to eligible employees in March based on the Company's and individual performance.

During the Reporting Year, the market competitive employee benefits as well as our effective HR policies help to keep the monthly average turnover rate as low as approximately 1.64%. There was zero cases of turnover of the middle management and only one case of turnover of the top management.

The Group strictly abides with the relevant labor laws and regulations in Hong Kong, the Mainland China and Taiwan which cover all employment protection and benefits.



Our People

In order to advocate equality in workplace, our written policy clearly stated that employees are treated under equal opportunities regardless of their gender, nationality, marital status, disability and religion.

As at 31 December 2018, our employees' male-to-female ratio was approximately 7:3, in which 26% were female and 74% were male, for a total of 69 employees. We keep a steady male-to-female ratio compared to that of the financial year 2017. Besides, in respect of our business operations, we had 55 employees located in Hong Kong, 9 in Shenzhen and 5 in Taiwan as at 31 December 2018. We strive for a harmonious work environment without any kinds of discrimination as for our employees.

HEALTH AND SAFETY

We place huge importance on safeguarding the health and safety of our employees by taking preventive measures to mitigate the potential office safety risks. Smoking is strictly prohibited in the office area to prevent fire accident. In case there is any injury occurred, safety procedures have been included in the staff handbook to give guidance for our employees to response to the emergencies. In addition, work arrangement under bad weather has been clearly included in the staff handbook.

Fire equipment such as fire extinguishers and fire hydrants were placed in the office and the server room in case any fire accident occurred.

During the Reporting Year, there was no cases of work injury reported by the Group.



Fire equipment placed in office and server room



SECTION B: SOCIAL

DEVELOPMENT AND TRAINING

The Group underlines the indispensableness of employee improvement. The Group promises to provide sufficient and efficient training to its employees. To familiarise employees with the vision and mission of the Group, department head would hold an induction training session with every newly-joined staff. Along with the orientation training, weekly on-job training was provided to our employees to fully utilize their talents. During the Reporting Year, a total of 84 hours on-job training, with an average of 2 hours per week per trained staff, were provided to our staff. Not only has the Group encouraged employees to join internal training, but also training courses outside the Group so as to keep pace with the latest development in the industry. Thus, the Group encourages its staff to establish personal development plan and provides suitable opportunities for them to achieve their goals. During the Reporting Year, the verified hours of external training of Continuing Professional Development program amounted to 20.5 hours were attended by our staff.

LABOUR STANDARD

The Group strictly abides by the relevant laws and regulations with regard to child labour, minimum wage specified by the government, and Social Insurance and Housing Provident Fund scheme. We are delighted to announce that we have not encountered major risks in human rights and employment matters so far. The Group guarantees that no employee is made to work against his / her will, or work under forced labour, or subject to coercion related to work. Recruitment of child labour is strictly prohibited. There was no employee recruited under the age of 18. Through the whistle-blowing mechanism, employees are able to voice out injustice they face. Department heads will communicate with the employees about the issue. General Manager will be responsible for further investigation to ensure that all injustice cases are tackled appropriately.

SUPPLY CHAIN MANAGEMENT

Establishing a successful and beneficial relationship with suppliers was one of our objectives as we viewed them as partners in helping us to grow the business. We formed 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.

During the supplier selection process, we consider the qualification, reputation, technical requirements of game development and the quality consistency among the suppliers. Only the suppliers with a pass result in the initial assessment can be added into our approved supplier list. We conduct annual assessment of the approved suppliers to confirm they are up to our required standards. For those suppliers with unsatisfying results, we eliminate them immediately from the approved supplier list to ensure that we provide the highest quality of digital games. As at 31 December 2018, we have built a trustful and long-term relationship with 30 suppliers located in Hong Kong, the Mainland China, Taiwan and Japan.

Besides the supplier selection, we also assess the quality of the digital games before we obtain the exclusive game rights as follows:

- 1) Background checks of the game developers are conducted to investigate their product portfolio.
- 2) Research on the local leaderboard is carried out to understand the popularity and the prospect of the targeted game in the current market.
- 3) Internal testing is executed to ensure that the product operates as intended.

We only consider to cooperate with those games with satisfying result and foreseeable beneficial prospect.

PRODUCT RESPONSIBILITY

Since the Group specializes on the development, operation and publishing of digital games, we are committed to complying with and even exceeding applicable standards and quality control for the sake of safeguarding both the Group's reputation and the public interests.

Quality Standards

To diversify our game portfolio and to maintain novelty of our games, the research and development ("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 was required in Article 44 of the Children Protection Act and Electronic Game Arcade Business Regulation Act in Taiwan.

Before publishing the games, our R&D team makes best efforts to fix bugs and plug the loopholes in the system. Furthermore, unique and value-added features are integrated into the finalize version of the products for the sake of providing the gamers the best gaming experience.



SECTION B: SOCIAL

Customer Service

Not only do we focus on the relationship between the suppliers aforementioned in *Supply Chain Management*, but we also emphasize the interaction with our customers.

To engage with our customers, customer service platform has been set up online. Corresponding handling procedures of various kinds of enquires and compliant are maturely established for our well-trained representatives to follow. Prompt responses are provided and we promise to solve our customers' compliant within 7 to 14 days. All escalated cases would be examined thoroughly and passed to the relevant departments for developing resolutions. All significant compliant and the corresponding handling results are recorded in details for our management to further follow up if necessary and for our improvement.

During the Reporting Year, there were two cases of complaint reported to the Consumer Council regarding virtual items in the games. The compliant were handled appropriately by bug fixing and in-game compensation. The relevant procedures were well-documented for further reference.

Intellectual Property Rights and Data Protection

The Company acknowledged the importance of intellectual property rights so we have set out our policies and principles. It included 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 Group 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 and non-disclosure agreement are signed with the relevant parties. 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. To comply with Personal Data (Privacy) Ordinance (Cap. 486), notices 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. Guideline and policy are also established to safeguard the employee data privacy. The employee data is only used for salary and welfare adjustment purpose.

During the Reporting Year, there was no cases regarding data leakage and copyright infringement reported by the Group.

ANTI-CORRUPTION

The Group has established written policy to state clearly the Group's stance and the responsibilities of its employees. The Group severely prohibits its employees, including directors, to make inappropriate payments or to accept any forms of gifts and benefits beyond proper permission. Any gifts and benefits accepted should be promptly reported to the management for further decisions.

The Group encourages its employees to report alleged malpractices or misconduct. We value and welcome our employees to report any suspected malpractices through various channels. Management, and even Audit Committee, takes immediate action to investigate the issue. The Group promises to fully support the whistleblowers and the identity of the whistleblowers is also well protected.

During the Reporting Year, there was no concluded legal cases regarding any forms of fraud brought against the Group or its employees.

COMMUNITY INVESTMENT

The Group has been actively involved in the community investment. During the Reporting Year, we have donated HK\$3,000 to Children's Catastrophic Disease Foundation Limited to support the children with serious illness. We imitate to invest more resources into the voluntary section for the sake of positively contributing to the society.

ENVIRONMENTAL DATA

Emissions Indicators	Year ended 31 December 2017	Year ended 31 December 2018
Air Emissions		
Total air emissions	N/A	4.22 kg
Air emission intensity	N/A	0.06 kg per employee
NOx emission		
Automobile usage	N/A	3.86 kg
SOx emission		
Automobile usage	N/A	0.08 kg
PM emission		
Automobile usage	N/A	0.28 kg
Greenhouse Gas Emissions		
Total greenhouse gas emissions	90.10 tonnes	92.99 tonnes
Greenhouse gas emission intensity	N/A	1.35 tonnes per employee
CO2 emission		
Automobile usage	N/A	13.09 tonnes
Electricity consumption	90.10 tonnes	78.40 tonnes
Electricity used for processing fresh water	N/A	0.07 tonnes
Electricity used for processing sewage	N/A	0.03 tonnes
Paper waste disposal at landfills	N/A	0.84 tonnes
CH4 emission		
Automobile usage	N/A	0.01 tonnes
N2O emission		
Automobile usage	N/A	0.55 tonnes

ENVIRONMENTAL DATA

	Year ended 31 December 2017	Year ended 31 December 2018
Emissions Indicators (Cont'd)		
Non-hazardous waste produced		
Total non-hazardous waste produced (paper waste)	131 Ream (Hong Kong) 0.7 kg (Taiwan)	174.53 kg (in total)
Non-hazardous waste produced intensity	N/A	2.53 kg per employee
Use of Resources Indicators		
Electricity consumption		
Total electricity consumption	122.60 MWh	124.24 MWh
Electricity consumption intensity	N/A	1.80 MWh per employee
Water Consumption		
Total water consumption	90 m ³	172 m ³
Water consumption intensity	N/A	2.49 m ³ per employee

SOCIAL DATA

	Year ended 31 December 2017	Year ended 31 December 2018
Employment Indicators		
Employment		
Total number of employees	82	69
By Gender		
Male	59	51
Female	23	18
By Employment type		
Permanent	79	66
Part-time	3	3
By Region		
Hong Kong	60	55
Shenzhen	10	9
Taiwan	12	5
Employment turnover		
Total number of employee turnover	9	15
% of employee turnover (monthly average)	0.70%	1.64%
By Gender		
Male	9	10
Female	0	5
Health and Safety Indicators		
Number of reported injuries	N/A	N/A
Number of lost days	N/A	N/A
Development and Training Indicators		
Total number of hours of internal staff training	16.75 hours	84 hours
Average hours of training per employee	4.46 per employee	2 hours per week per employee
Total number of hours of external staff training	18 hours	20.5 hours

SOCIAL DATA

	Year ended 31 December 2017	Year ended 31 December 2018
Supply Chain Indicators		
Total number of approved suppliers	29	30
Product Responsibility Indicators		
Total number of complaints received	–	2
Total number of legal dispute cases	1 in Taiwan	N/A
Anti-corruption Indicators		
Number of conducted legal cases regarding corruption	–	–
Community Indicators		
Community Investment		
Corporate charitable donation	HK\$ 20,000	HK\$ 3,000
Employee volunteering		
Number of employee volunteers	–	–
Total number of service hours	–	–