

**GAMEONE HOLDINGS LTD:  
ARE THE SHARES OF THIS COMPANY WORTH \$HK4.89, EACH ?**

On Wednesday morning (January 13, 2016), as trading kicked off on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the share price of Gameone Holdings Ltd () (Code: 8282), one of the newest listings on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), rose 291 percent over its \$HK1.25 Placing Price, to \$HK4.89.

This extraordinary price increase within the first hour of the first day of trading in the shares of a new listing might be considered worrying to some people because, among other things, Management of Gameone Holdings had made it abundantly clear in its Placing Prospectus, dated December 31, 2015, that its Bottom Line in respect of the 2015 Financial Year had fallen very materially, Year-On-Year.

Regardless of this published fact, the share price of this relatively tiny company that is engaged in the development and operations of computer games zoomed up into the GEM's stratosphere – for no apparent, valid reason.

By yesterday at noon, however, the share price of Gameone Holdings had dropped back to \$HK3.67.

**The Initial Public Offering (IPO)**

Gameone Holdings Placed 40 million, one-cent Shares at the Indicative Placing Price Per Share, ranging from a low of \$HK1.00 to a high of \$HK1.50.

On Tuesday, January 12, 2016, Management announced that the Placing Price Per Share had been struck at \$HK1.25 and that the Company had netted about \$HK25.60 million from this cash-raising exercise.

A total of 113 selected professionals, institutions and 'other investors' had been allotted the 40 million Placing Shares, one was informed.

The Placing Shares had '*been moderately over-subscribed*', the Company's announcement of January 12 stated at Page Four.

Management of Gameone Holdings said that it intended to apply the net proceeds of the Placing Shares for the following purposes:

- '*Approximately 31.25% of the total estimated net proceeds, or approximately HK\$8.03 million, will be used to expand our game portfolio through securing additional licensed games including but not limited to the two mobile games under negotiations as at the Latest Practicable Date (December 22, 2015) as well as to settle the fees payable to secure the license for the mobile game Dachen Wushuang\* ();*
- '*Approximately 16.88% of the total estimated net proceeds, or approximately HK\$4.34 million, will be used to secure development rights for popular literatures, comics and animations;*
- '*Approximately 1.56% of the total estimated net proceeds, or approximately HK\$0.40 million,*

*will be used to fully utilize existing games and development rights through identifying business partners to produce game-related merchandise such as die-cast characters, etc.;*

- *'Approximately 3.12% of the total estimated net proceeds, or approximately HK\$0.80 million, will be used to enhance our game development capacity and increase the investment in game technology to increase the number of self-developed games through acquisition of additional computer and related hardware and game design software;*
- *'Approximately 26.56% of the total estimated net proceeds, or approximately HK\$6.83 million, will be used to consolidate our market position and enhance our marketing efforts through marketing and promotion of our existing licensed games and self/co-developed games;*
- *'Approximately 10.63% of the total estimated net proceeds, or approximately HK\$2.73 million, will be used to pursue strategic alliances and acquisition opportunities; and,*
- *'Approximately 10.0% of the total estimated net proceeds, or approximately HK\$2.47 million, will be used as general working capital and other general corporate purposes.'*

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