



Gameone Holdings Limited

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8282

2023

Third Quarterly Report



## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the "Directors") of Gameone Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (together, the "Group"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2023, together with the unaudited comparative figures for the corresponding periods in 2022 as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 (Unaudited) HK\$000	2022 (Unaudited) HK\$000	2023 (Unaudited) HK\$000	2022 (Unaudited) HK\$000
<b>Revenue</b>	5	<b>19,777</b>	28,155	<b>97,136</b>	68,077
Cost of services rendered		<b>(16,034)</b>	(24,775)	<b>(77,799)</b>	(46,102)
<b>Gross profit</b>		<b>3,743</b>	3,380	<b>19,337</b>	21,975
Other income	5	<b>521</b>	611	<b>1,744</b>	1,077
Selling expenses		<b>(6,578)</b>	(6,277)	<b>(13,869)</b>	(19,107)
Administrative expenses		<b>(4,121)</b>	(3,858)	<b>(23,483)</b>	(11,845)
Operating loss		<b>(6,435)</b>	(6,144)	<b>(16,271)</b>	(7,900)
Finance cost		<b>(10)</b>	–	<b>(35)</b>	(9)
<b>Loss before income tax</b>		<b>(6,445)</b>	(6,144)	<b>(16,306)</b>	(7,909)
Income tax expense	6	–	–	–	–
<b>Loss for the period</b>		<b>(6,445)</b>	(6,144)	<b>(16,306)</b>	(7,909)
<b>Other comprehensive income</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange difference on translation of financial statements of foreign operations		<b>673</b>	836	<b>279</b>	1,938
<b>Other comprehensive income for the period</b>		<b>673</b>	836	<b>279</b>	1,938
<b>Total comprehensive expenses for the period attributable to owners of the Company</b>		<b>(5,772)</b>	(5,308)	<b>(16,027)</b>	(5,971)
<b>Loss per share</b>					
— Basic and Diluted (expressed in HK cents per share)	8	<b>(2.69)</b>	(3.80)	<b>(6.79)</b>	(4.89)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

	Share capital HK\$'000	Share Premium HK\$'000	Other reserve HK\$'000	Revaluation surplus HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 January 2023 (Audited)	2,400	61,680	71,458	-	(1,000)	(89,959)	44,579
Loss for the period	-	-	-	-	-	(16,306)	(16,306)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	279	-	279
Other comprehensive income for the period	-	-	-	-	279	-	279
Total comprehensive income/ (expenses) for the period	-	-	-	-	279	(16,306)	(16,027)
At 30 September 2023 (unaudited)	2,400	61,680	71,458	-	(721)	(106,265)	28,552
At 1 January 2022 (Audited)	1,600	41,129	71,458	-	(704)	(78,831)	34,652
Loss for the period	-	-	-	-	-	(7,909)	(7,909)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	1,938	-	1,938
Other comprehensive income for the period	-	-	-	-	1,938	-	1,938
Total comprehensive income/ (expenses) for the period	-	-	-	-	1,938	(7,909)	(5,971)
Right issue	800	21,600	-	-	-	-	22,400
Share issue expenses	-	(1,049)	-	-	-	-	(1,049)
At 30 September 2022 (unaudited)	2,400	61,680	71,458	-	1,234	(86,740)	50,032

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

### 1. CORPORATE INFORMATION

Gameone Holdings Limited was incorporated in Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 14 April 2010. The Company's registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands. The Company's principal place of business is located at No. 552 Xuehai Road, Nanyuan, Linping District, Hangzhou City, Zhejiang Province, The People's Republic of China (the "PRC").

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

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are to provide software services in the PRC and engage in development, operation, publishing and distribution of online and mobile games in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong China") and other countries and regions. In the opinion of the Directors, the Company's parent and ultimate parent is Topliu Limited, a company incorporated in the British Virgin Islands.

### 2. BASIS OF PREPARATION AND PRESENTATION

The Group's unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure required by the GEM Listing Rules and by the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 are consistent with those adopted in the Group's audited annual report dated 28 March 2023 (the "2022 Annual Report"), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "New and Revised HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the nine months ended 30 September 2023.

## 2. BASIS OF PREPARATION AND PRESENTATION *(Continued)*

The preparation of these unaudited condensed consolidated financial statements requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this unaudited condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2022 Annual Report.

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 have been prepared under the historical cost basis. The unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2022 Annual Report.

The unaudited condensed consolidated financial statements have not been audited or reviewed by the Company's auditors, but have been reviewed by the audit committee of the Company (the "Audit Committee").

## 3. CHANGES IN HKFRSs

### Application of new and amendments and interpretation to HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments and interpretation to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's unaudited condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Liabilities arising from a Single Transaction	

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

#### 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. For the nine months ended 30 September 2023, the executive Directors regularly review revenue and operating results, and divided into two reportable operating segments.

The Group identifies two segments as follows:

- The Software Service Business, which is primarily engaged in providing internet security technical service and big data related analysis service to the customers in the PRC; and
- The Game Business, which is primarily engaged in development, operation, publishing and distribution of online and mobile games in Hong Kong China and other countries and regions.

The executive Directors assess the performance of the operating segments based on the operating loss of each reporting segments. The reconciliation of operating loss to loss before income tax is shown in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

	Three months ended		Nine months ended	
	30 September	2022	30 September	2022
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$000	HK\$000	HK\$000	HK\$000
<b>Segment revenue:</b>				
Software Service Business	7,380	13,780	61,847	23,668
Game Business	12,397	14,375	35,289	44,409
<b>Total</b>	<b>19,777</b>	<b>28,155</b>	<b>97,136</b>	<b>68,077</b>
<b>Segments results — operating loss:</b>				
Software Service Business	(1,850)	(1,783)	(3,033)	(1,853)
Game Business	(4,585)	(4,361)	(13,238)	(6,047)
<b>Total</b>	<b>(6,435)</b>	<b>(6,144)</b>	<b>(16,271)</b>	<b>(7,900)</b>

#### 4. SEGMENT INFORMATION *(Continued)*

##### Geographical information

The Group's revenue by geographical location are detailed below.

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$000	HK\$000	HK\$000	HK\$000
<b>By country/region</b>				
PRC	7,380	13,780	61,847	23,668
Hong Kong China	12,397	13,356	34,083	41,425
Others	–	1,019	1,206	2,984
	<b>19,777</b>	<b>28,155</b>	<b>97,136</b>	<b>68,077</b>

##### Information about major customers

For the nine months ended September 30, 2023, three customers (nine months ended 30 September 2022: zero) individually contributed more than 10% of the Group's total revenue, and the revenue contributed by each of these customers for the nine months ended September 30, 2023 and 2022 is as follows:

	Nine months ended	Nine months ended
	30 September	30 September
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A	34,910	–
Customer B	11,672	–
Customer C	10,032	–



## 5. REVENUE AND OTHER INCOME

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 (Unaudited) HK\$000	2022 (Unaudited) HK\$000	2023 (Unaudited) HK\$000	2022 (Unaudited) HK\$000
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>				
Software service income	7,380	13,780	61,847	23,668
Game operation income	12,177	13,493	33,864	41,680
Game publishing income	58	60	285	245
Royalty income	162	685	1,002	2,064
License fee income	–	137	138	420
	<b>19,777</b>	<b>28,155</b>	<b>97,136</b>	<b>68,077</b>
<b>Other income</b>				
Government grants	182	533	936	853
Interest income	141	–	381	1
Other income	198	78	427	223
	<b>521</b>	<b>611</b>	<b>1,744</b>	<b>1,077</b>
	<b>20,298</b>	<b>28,766</b>	<b>98,880</b>	<b>69,154</b>

## **6. INCOME TAX EXPENSE**

No provision for PRC Enterprise Income Tax was made as the Group has not generated any tax assessable profits in the PRC for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

No Profits Tax for the Taiwan China branch has been provided as the Taiwan China branch has not generated any tax assessable profits in Taiwan China for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

No provision for Hong Kong China Profits Tax was made as the Group has not generated any tax assessable profits in Hong Kong China for the nine months ended 30 September 2023 (nine months ended 30 September 2022: 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 2023 (nine months ended 30 September 2022: Nil).

## **8. LOSS PER SHARE**

The calculation of basic loss per share is based on the loss attributable to the owners of the Company and on the basis of the weighted average number of 240,000,000 ordinary shares (2022: 240,000,000 ordinary shares) in issue.

The number of shares for the purposes of basic loss per share for the nine months ended 30 September 2023 has been adjusted for the rights issue completed on 28 July 2022.

Diluted loss per share is of the same amount as the basic loss per share as there were no potential dilutive ordinary shares outstanding as at 30 September 2023 (2022: same).

## **MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW AND OUTLOOK**

We are a software service provider focusing on the market in the PRC. We provide internet security technical service and big data related analysis service to the customers. We are also an integrated game developer, operator and publisher focusing on the market in Hong Kong China and other countries and regions. We operate and publish the Group's self/co-developed and licensed games in Hong Kong China and other regions primarily through the Group's game distribution platforms as well as other third-party distribution platforms. We collect payments from players either through the Group's own game platform, third-party distribution platforms such as Apple Store and Google Play, or third-party payment vendors, which include convenience stores selling prepaid game cards or 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 2023, the Group recorded a net loss of approximately HK\$16.3 million as compared to a net loss of approximately HK\$7.9 million for the same period in 2022. During the nine months ended 30 September 2023, we allocated more resources in the business segment of internet security technical service as there are plentiful market opportunities and high demand in the PRC. Many bank customers are facing attacks from internet and telecommunications fraud, resulting in financial losses. Internet security has become essential in 2023 and beyond.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue was approximately HK\$97.1 million for the nine months ended 30 September 2023, representing an increase of approximately 42.6% from approximately HK\$68.1 million for the corresponding period in 2022, which was primarily attributable to an increase in software service income.

### **Cost of services rendered**

The Group's cost of services incurred for the nine months ended 30 September 2023 was approximately HK\$77.8 million, representing an increase of approximately 68.8% from approximately HK\$46.1 million for the corresponding period in 2022, which was primarily attributable to the increase in software service-related costs during the nine months ended 30 September 2023.

### **Gross profit and gross profit margin**

The Group's gross profit for the nine months ended 30 September 2023 was approximately HK\$19.3 million, representing a decrease of approximately 12.3% from approximately HK\$22.0 million for the nine months ended 30 September 2022. The decrease in gross profit was primarily attributable to (i) the increase in software service-related costs; and (ii) the decrease in the Group's game operation income from the licensed mobile games. The Group's gross profit margin for the nine months ended 30 September 2023 was approximately 19.9%, representing a decrease of approximately 12.4 percentage points as compared to approximately 32.3% for the nine months ended 30 September 2022. The lower gross profit margin was primarily resulted from the increase in software service-related costs.

### **Selling expenses**

The Group's selling expenses for the nine months ended 30 September 2023 were approximately HK\$13.9 million, representing a decrease of approximately 27.2% from approximately HK\$19.1 million for the corresponding period in 2022, which was primarily attributable to an decrease in promotion and advertising expenses of software service.

### **Administrative expenses**

The Group's administrative expenses for the nine months ended 30 September 2023 were approximately HK\$23.5 million, representing an increase of approximately 99.2% from approximately HK\$11.8 million for the corresponding period in 2022, which was primarily attributable to an increase in staff cost and rental expenses during the nine months ended 30 September 2023.

### **Loss for the period**

The Group recorded a loss for the nine months ended 30 September 2023 of approximately HK\$16.3 million as compared with a loss of approximately HK\$7.9 million for the corresponding period in 2022, which was primarily attributable to (i) the decrease in the Group's game operation income from the licensed mobile games; and (ii) the increase in staff cost and rental expenses during the nine months ended 30 September 2023.

### **DIVIDEND**

The Board does not recommend the payment of dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("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 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Long positions in ordinary shares and underlying shares of the Company

Name of Director/ chief executive	Capacity/Nature of interest	Total number of Shares	Approximate percentage of shareholding
Mr. Liu Yi ("Mr. Liu") (Chairman and Chief Executive Officer) (Note)	Interest of controlled corporation	95,257,854	39.69%
Mr. Huang Jianying ("Mr. Huang")	Beneficial owner	40,477,501	16.87%

Note: Topliu Limited is wholly owned by Mr. Liu. By virtue of the SFO, Mr. Liu is deemed to be interested in the Shares in which Topliu Limited is interested.

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors or chief executives of the Company, as at 30 September 2023, the following persons/corporations (other than Directors or chief executives of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### Long positions in ordinary shares and underlying shares of the Company

Name of shareholders	Nature of interest	Number of Shares or securities held	Approximate percentage of interest in the Company
Topliu Limited	Beneficial owner	95,257,854	39.69%
Ms. Sun Li (Note 1)	Interest of spouse	40,477,501	16.87%
Nineyou International Limited (Note 2)	Beneficial owner	18,367,182	7.65%
Million Treasure Limited (Note 2)	Interest in controlled corporation	18,367,182	7.65%
Heartland Investment Limited (Note 2)	Interest in controlled corporation	18,367,182	7.65%

Notes:

- (1) Ms. Sun Li is the spouse of Mr. Huang Jianying. By virtue of the SFO, Ms. Sun Li is deemed to be interested in the Shares in which Mr. Huang Jianying is interested.
- (2) 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 Million Treasure Limited which is also an independent third party. As at 30 September 2023, NYIL held 18,367,182 Shares, representing 7.65% of the issued Shares.

Save as disclosed above, as at 30 September 2023, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executives' interests and short positions in shares, underlying shares and debenture of the Company" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the nine months ended 30 September 2023, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

There was no material acquisitions and disposals during the nine months ended 30 September 2023.

## **COMPETITION AND CONFLICT OF INTERESTS**

None of the Directors, the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or any of its respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group during the nine months ended 30 September 2023.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.68 of the GEM Listing Rules (the "**Required Standard Dealings**"). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings throughout the period under review. Further the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the period under review.

## **CORPORATE GOVERNANCE PRACTICE**

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "**Code**") as set out in Appendix 15 to the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code during the nine months ended 30 September 2023 and up to the date of this announcement except for the below deviation. Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Liu was the chairman of the Board (the "**Chairman**") and chief executive officer (the "**Chief Executive Officer**"), the Company has deviated from this Code. However, the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in Mr. Liu have the benefit of ensuring consistent and continuous planning and execution of the Company's strategies. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and more promptly response to the fast changing business environment and a more efficient management and implementation of business process. The Board also considers that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group.

## SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained public float of 25% as required under the GEM Listing Rules during the nine months ended 30 September 2023 and up to the date of this report.

## SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) conditionally adopted by the Company was approved by the shareholders on 23 December 2015.

The Scheme became effective for a period of 10 years commencing on the listing date of the Company. Under the Scheme, the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of: (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of the granting of the option; (ii) the average closing prices of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of the granting of the option; and (iii) the nominal value of a share. An offer shall remain open for acceptance by the Qualifying Grantee concerned for a period of 28 days from the date of the offer (or such period as Board may specify in writing). HK\$1 is payable by the grantee to Company on acceptance of the option offer.

The period as the Board may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Scheme, a period of 10 years from the date of the granting of the option).

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue immediately following the completion of the Capitalization Issue and the Placing as defined under the prospectus of the Company dated 31 December 2015. Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

As at 1 January 2023 and 30 September 2023, the total number of share options available for grant under the Scheme was 16,000,000. For the nine months ended 30 September 2023, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding share option under the Scheme. The total number of shares of the Company that may be issued in respect of options granted under all shares schemes of the Company during the nine months ended 30 September 2023 is 16,000,000 shares, representing 6.7% of the Company’s issued shares capital as at the date of this report.



## AUDIT COMMITTEE

The Audit Committee was established on 23 December 2015. The chairman of the Audit Committee is Mr. Lu Yi, an independent non-executive Director, other members include Ms. Ngo Mei Kwan and Mr. Jin Baiting. The written terms of reference of the Audit Committee are posted on the Stock Exchange website and on the Company's website.

The Company has complied with Rule 5.28 of the GEM Listing Rules that at least one of the members of the Audit Committee (which must comprise a minimum of three members, the majority of the members of the Audit Committee must be independent non-executive Directors and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2023 with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

## EVENTS AFTER THE END OF REPORTING PERIOD

Excepted as disclosed in this report, there is no other material subsequent event undertaken by the Company or by the Group after 30 September 2023 and up to the date of this report.

## PUBLICATION OF RESULTS AND QUARTERLY REPORT

This quarterly results announcement and the report are published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.gameone.com.hk](http://www.gameone.com.hk). The quarterly report of the Company for the nine months ended 30 September 2023 will be dispatched to the shareholders of the Company. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed quarterly report, free of charge, at any time by writing to the Company or the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited.

By order of the Board  
**Gameone Holdings Limited**  
**Liu Yi**  
*Chairman and Executive Director*

Hong Kong, 8 November 2023

*As at the date of this report, the executive Directors are Mr. Liu Yi and Mr. Huang Jianying; and the independent non-executive Directors are Ms. Ngo Mei Kwan, Mr. Jin Baiting and Mr. Lu Yi.*