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GAMEONE HOLDINGS LIMITED

智傲控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8282)

PREVIOUS CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

During the year ended 31 December 2022, Zhejiang Gameone entered into the Technology Development Agreements with Hangzhou Cambridge, pursuant to which Hangzhou Cambridge agreed to provide certain technology development works to Zhejiang Gameone, which allowed Zhejiang Gameone to obtain 10 computer software copyrights for e-commerce and cybersecurity information systems and platforms, in the Aggregate Transaction Amount of RMB3.6 million (equivalent to approximately HK\$4.0 million).

IMPLICATIONS UNDER THE GEM LISTING RULES

Zhejiang Gameone is an indirect wholly-owned subsidiary of the Company. As at the respective dates of execution of the Technology Development Agreements, the equity interest of Hangzhou Cambridge was owned by Mr. Liu (the chairman, chief executive officer and an executive Director of the Company and a controlling shareholder of the Company) and Ms. Zhao (the mother of Mr. Liu). As at the date of this announcement, Hangzhou Cambridge is owned as to 43% by Mr. Liu and 57% by Ms. Zhao. Accordingly, Hangzhou Cambridge was a connected person during the material times. Execution of the Technology Development Agreements would therefore be considered as continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the transactions pursuant to the Technology Development Agreements (when they are considered as a series of transactions) is more than 5% but less than 25%, and that the aggregate consideration payable by the Group under the Technology Development Agreements is less than HK\$10,000,000, the transactions were subject to the reporting, announcement and annual review requirements under Chapter 20 of the GEM Listing Rules but were exempt from any independent shareholders' approval requirement. On this basis, the Company should have issued an announcement as soon as practicable after the terms of the Technology Development Agreements have been agreed in accordance with Chapter 20 of the GEM Listing Rules.

REASONS FOR NON-COMPLIANCE WITH THE DISCLOSURE REQUIREMENT UNDER THE GEM LISTING RULES

The Company believes that the non-compliance with the GEM Listing Rules was inadvertent. Despite the Technology Development Agreements were entered into in early 2022, the provision of the relevant services by Hangzhou Cambridge and the completion of its works were delayed due to COVID-19 prevention and control measures in the PRC. The relevant works of Hangzhou Cambridge were only completed in the third or fourth quarter of 2022, and settlement of the Aggregate Transaction Amount by the Group was also made in the third or fourth quarter of 2022. Given the above circumstances, the triggering of the announcement requirement under Chapter 20 of the GEM Listing Rules due to the work of Hangzhou Cambridge did not come to the attention of the Board at the material times in 2022. Moreover, the consideration of each of the Technology Development Agreements ranges from RMB300,000 to RMB450,000. The execution of each of the Technology Development Agreements individually would fall within the de minimis transaction exemption under Chapter 20 of the GEM Listing Rules. There was a lack of awareness of the management of the Company that the transactions under the Technology Development Agreements would be considered as a series of transactions and shall be aggregated in the calculation of the percentage ratio. As a result, the Company did not comply with the announcement requirements under Chapter 20 of the GEM Listing Rules.

REMEDIAL STEPS TAKEN

The Company deeply regrets its non-compliance with the relevant connected transaction requirements under Chapter 20 of the GEM Listing Rules and would like to stress that such non-compliance was inadvertent. The Directors have requested the management for the Company to implement all the necessary steps to identify all connected transactions for the Company and ensure they are in full compliance with the GEM Listing Rules. The management of the Company has also reviewed the relevant records of the Group and confirm that there is no other connected transaction of the Company which is not in full compliance with the GEM Listing Rules. Furthermore, remedial actions will be taken by the Company to ensure the strict compliance by the Company with the GEM Listing Rules in the future.

INTRODUCTION

During the year ended 31 December 2022, Zhejiang Gameone entered into the Technology Development Agreements with Hangzhou Cambridge, pursuant to which Hangzhou Cambridge agreed to provide certain technology development works to Zhejiang Gameone, which allowed Zhejiang Gameone to obtain 10 computer software copyrights for e-commerce and cybersecurity information systems and platforms, in the Aggregate Transaction Amount of RMB3.6 million (equivalent to approximately HK\$4.0 million).

Set out below is a summary of the principal terms of the Technology Development Agreements:

THE TECHNOLOGY DEVELOPMENT AGREEMENTS

Respective dates of execution of the Technology Development Agreements	3 January 2022, 10 January 2022, 14 January 2022, 7 February 2022, 14 February 2022, and 28 February 2022
Parties	(i) Zhejiang Gameone, an indirect wholly-owned subsidiary of the Company (as the service recipient) (ii) Hangzhou Cambridge (as the service provider)
Scope of services	Provision of various technology development services in relation to e-commerce and cybersecurity information systems and platforms
Aggregate Transaction Amount	RMB3.6 million (equivalent to approximately HK\$4.0 million)
Service term	Started from 3 January 2022 and ended on 31 December 2022
Payment terms	One-off payment within 90 days after the completion of the respective development works

REASONS FOR AND BENEFIT OF ENTERING INTO THE TECHNOLOGY DEVELOPMENT AGREEMENTS

Zhejiang Gameone was established in December 2021, and one of its business objectives is to develop the business in relation to development and marketing of e-commerce and cybersecurity technology in the PRC. As one of the first steps to the development of such business, the Group decided to obtain the relevant computer software copyrights of the relevant systems and platforms. The time and costs required to build up a software and technology development team by Zhejiang Gameone itself for such purpose as well as the potential risk of failure to obtain the relevant copyrights (while the costs of hiring a software and technology development team would be wasted) were considered. Since Zhejiang Gameone was only established shortly, a more conservative approach was taken that the early-stage development works would be outsourced to external service provider. It would allow Zhejiang Gameone to kickstart its business under a more cost-effective approach and limit the risks involved.

Hangzhou Cambridge is principally engaged in the technology development, technical consultation and technical services of computer software and hardware. It was awarded High-tech Enterprise Certificate (高新技術企業證書) issued by Zhejiang Provincial Department of Science and Technology (浙江省科學技術廳), Zhejiang Provincial Department of Finance (浙江省財政廳) and Zhejiang Provincial Tax Service of State Tax Administration (國家稅務總局浙江省稅務局), Science and Technology SME Certificate of Zhejiang Province (浙江省科技型中小企業證書) issued by Zhejiang Provincial Department of Science and Technology (浙江省科學技術廳), Hangzhou High-tech Enterprise Certificate (杭州市級高新技術企業證書) issued by Hangzhou Science and Technology Bureau (杭州市科學技術局), Hangzhou Science and Technology Start-ups Nurturing Project Enterprise Certificate (杭州市科技型初創企業培育工程企業證書) issued by Hangzhou Science and Technology Committee (杭州市科學技術委員會), and Software Enterprise Certificate (軟件企業證書) issued by Zhejiang Software Industry Association (浙江省軟件行業協會).

During the selection process, Zhejiang Gameone reviewed the fee proposal and expertise etc. of a number of external service providers. Zhejiang Gameone selected Hangzhou Cambridge to provide the development services based on its experience in the relevant software and technology development. The consideration in the relevant Technology Development Agreements were based on normal commercial terms and on arm's length basis with reference to factors including the expected manpower involved as well as the complexity of the works.

Having reviewed the available information, the Directors confirm that the Technology Development Agreements were entered into on terms no less favorable to the Group than terms available to or from Independent Third Parties. On this basis, the Directors (including the independent non-executive Directors) consider that the terms of the Technology Development Agreements are fair and reasonable and on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND ZHEJIANG GAMEONE

The Group is a software service provider focusing on the market of the PRC. The Group provides internet security technical service and big data related analysis service to the customers. The Group is also an integrated game developer, operator and publisher focusing on the market of Hong Kong and other countries and regions. The Group operates and publishes the Group's self/co-developed and licensed games in Hong Kong and other regions primarily through the Group's game distribution platforms as well as other third-party distribution platforms. The Group collects 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/vouchers.

Zhejiang Gameone, a company established in the PRC, is an indirect wholly-owned subsidiary of the Company. Zhejiang Gameone is principally engaged in software service business in the PRC.

INFORMATION OF HANGZHOU CAMBRIDGE

Hangzhou Cambridge, a company established in the PRC, is owned as to 43% by Mr. Liu (an executive Director and controlling shareholder of the Company) and 57% by Ms. Zhao (the mother of Mr. Liu) as at the date of this announcement. During the material times in the year ended 31 December 2022, Hangzhou Cambridge was owned by Mr. Liu and his associates. Hangzhou Cambridge is principally engaged in the technology development, technical consultation and technical services of computer software and hardware. Mr. Liu was and still is a shareholder of Hangzhou Cambridge, but he does not participate in the daily operation of Hangzhou Cambridge.

IMPLICATIONS UNDER THE GEM LISTING RULES

Zhejiang Gameone is an indirect wholly-owned subsidiary of the Company. As at the respective dates of execution of the Technology Development Agreements, the equity interest of Hangzhou Cambridge was owned by Mr. Liu (the chairman, chief executive officer and an executive Director of the Company and a controlling shareholder of the Company) and Ms. Zhao (the mother of Mr. Liu). As at the date of this announcement, Hangzhou Cambridge is owned as to 43% by Mr. Liu and 57% by Ms. Zhao. Accordingly, Hangzhou Cambridge was a connected person during the material times. Execution of the Technology Development Agreements would therefore be considered as continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the transactions pursuant to the Technology Development Agreements (when they are considered as a series of transactions) is more than 5% but less than 25%, and that the aggregate consideration payable by the Group under the Technology Development Agreements is less than HK\$10,000,000, the transactions were subject to the reporting, announcement and annual review requirements under Chapter 20 of the GEM Listing Rules but were exempt from any independent shareholders' approval requirement.

Other than Mr. Liu who had abstained from voting, no Director had a material interest in the above transactions which would require him/her to abstain from voting on the relevant Board resolutions.

REASONS FOR NON-COMPLIANCE WITH ANNOUNCEMENT REQUIREMENT UNDER THE GEM LISTING RULES

The Company believes that the non-compliance with the GEM Listing Rules was inadvertent. Despite the Technology Development Agreements were entered into in early 2022, the provision of the relevant services by Hangzhou Cambridge and the completion of its works were delayed due to COVID-19 prevention and control measures in the PRC. The relevant works of Hangzhou Cambridge were only completed in the third or fourth quarter of 2022, and settlement of the Aggregate Transaction Amount by the Group was also made in the third or fourth quarter of 2022. Given the above circumstances, the triggering of the announcement requirement under Chapter 20 of the GEM Listing Rules due to the work of Hangzhou Cambridge did not come to the attention of the Board at the material times in 2022. Moreover, the consideration of each of the Technology Development Agreements ranges from RMB300,000 to RMB450,000. The execution of each of the Technology Development Agreements individually would fall within the de minimis transaction exemption under Chapter 20 of the GEM Listing Rules. There was a lack of awareness of the management of the Company that the transactions under the Technology Development Agreements would be considered as a series of transactions and shall be aggregated in the calculation of the percentage ratio. As a result, the Company did not comply with the announcement requirements under Chapter 20 of the GEM Listing Rules.

As the date of this announcement, the services to be provided under the Technology Development Agreements have been completed and the Aggregate Transaction Amount of RMB3.6 million (equivalent to approximately HK\$4.0 million) has been fully settled. As confirmed by the Directors, the Group has no intention as at the date of this announcement to engage Hangzhou Cambridge to provide similar services again in the near future.

REMEDIAL STEPS TAKEN

The Company deeply regrets its non-compliance with the relevant connected transaction requirements under Chapter 20 of the GEM Listing Rules and would like to stress that such non-compliance was inadvertent.

The Directors have requested the management for the Company to implement all the necessary steps to identify all connected transactions for the Company and ensure they are in full compliance with the GEM Listing Rules. The management of the Company has also reviewed the relevant records of the Group and confirm that there is no other connected transaction of the Company which is not in full compliance with the GEM Listing Rules.

The following remedial actions will be taken by the Company to ensure the strict compliance by the Company with the GEM Listing Rules in the future:

1. relevant internal training session will be arranged for all the Directors and senior management/relevant personnel of the Company and its subsidiaries to explain the relevant requirements under Chapter 20 of the GEM Listing Rules;
2. for proposed transaction(s) which may constitute new connected transaction(s) of the Group, to consult legal advisers and the Stock Exchange (where necessary) in a timely manner prior to entering into of such transaction(s); and
3. the business and financial management departments at the subsidiary level shall promptly report any proposed transaction or event where the counterparty(ies) or the subject company(ies) of the proposed transaction may in anyway relate to any of the substantial shareholders, chief executives or directors of any member of the Group (including their relatives and related trusts or companies) in order to ascertain whether there will be any connected transaction implication under Chapter 20 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the capitalised terms used herein shall have the following meanings:

“Aggregate Transaction Amount”	the aggregate service fee amounted to RMB3.6 million (equivalent to approximately HK\$4.0 million) payable by Zhejiang Gameone to Hangzhou Cambridge under the Technology Development Agreements;
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	Gameone Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange;
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules;
“controlling shareholder”	has the same meaning ascribed thereto under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified by the Stock Exchange from time to time;

“Group”	the Company and its subsidiaries;
“Hangzhou Cambridge”	Hangzhou Cambridge Technology Co., Ltd.* (杭州劍橋科技有限公司), a company established in the PRC, which is owned as to 43% by Mr. Liu and 57% by Ms. Zhao as at the date of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the GEM Listing Rules;
“Mr. Liu”	Mr. Liu Yi (劉漪), being the chairman, the chief executive officer and an executive Director of the Company, and one of the Company’s controlling shareholders;
“Ms. Zhao”	Ms. Zhao Limin (趙利敏), the mother of Mr. Liu and the owner of 57% equity interest of Hangzhou Cambridge as at the date of this announcement;
“PRC”	The People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Technology Development Agreements”	10 technology development agreements entered into between Hangzhou Cambridge and Zhejiang Gameone during the year ended 31 December 2022, pursuant to which Hangzhou Cambridge agreed to provide certain technology development services in relation to e-commerce and cybersecurity information systems and platforms;

* For identification purposes only

“Zhejiang Gameone”

Zhejiang Gameone Holding Group Limited (浙江智傲控股集團有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company; and

“%”

per cent.

Hong Kong, 17 March 2023

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

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.gameone.com.hk.