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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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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.**

*This announcement, for which the directors (the “**Directors**”) of Gameone Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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.*

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2022, together with the audited comparative figures for the preceding year as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 December 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue</b>	5	<b>91,300</b>	84,495
Cost of services rendered		<u>(67,803)</u>	<u>(51,611)</u>
<b>Gross profit</b>		<b>23,497</b>	32,884
Other income	5	<b>3,234</b>	685
Selling expenses		<b>(21,079)</b>	(21,060)
Administrative expenses		<b>(16,755)</b>	(11,879)
Other expenses		–	(30)
Finance costs	6	<u><b>(25)</b></u>	<u>(44)</u>
<b>(Loss) profit before tax</b>	6	<b>(11,128)</b>	556
Income tax expense	7	<u>–</u>	<u>–</u>
(Loss) profit for the year		<u><b>(11,128)</b></u>	<u>556</u>
<b>Other comprehensive (expenses) income</b>			
<i>Item that may be reclassified subsequently to profits or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u><b>(296)</b></u>	<u>45</u>
<b>Total comprehensive (expenses) income for the year</b>		<u><b>(11,424)</b></u>	<u>601</u>
		<i>HK cent</i>	<i>HK cent</i> (Restated)
<b>(Loss) earnings per share</b>	9		
— Basic and diluted		<u><b>(5.16)</b></u>	<u>0.30</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		415	539
Intangible assets		15,670	6,481
Cryptocurrencies		–	–
Right-of-use assets		<u>2,263</u>	<u>1,009</u>
		<u>18,348</u>	<u>8,029</u>
<b>Current assets</b>			
Trade receivables	<i>10</i>	4,349	4,414
Prepayments, deposits and other receivables	<i>11</i>	12,550	6,876
Financial assets at fair value through profit or loss		1,553	–
Cash and cash equivalents		<u>27,306</u>	<u>35,423</u>
		<u>45,758</u>	<u>46,713</u>
<b>Current liabilities</b>			
Trade payables	<i>12</i>	1,867	3,010
Other payables and accruals	<i>13</i>	4,996	5,932
Contract liabilities	<i>13</i>	10,315	10,074
Tax payable		77	77
Lease liabilities		<u>1,286</u>	<u>997</u>
		<u>18,541</u>	<u>20,090</u>
<b>Net current assets</b>		<u>27,217</u>	<u>26,623</u>
<b>Total assets less current liabilities</b>		<u>45,565</u>	<u>34,652</u>
<b>Non-current liabilities</b>			
Lease liabilities		<u>986</u>	<u>–</u>
<b>Net assets</b>		<u>44,579</u>	<u>34,652</u>
<b>Capital and reserves</b>			
Share capital		2,400	1,600
Reserves		<u>42,179</u>	<u>33,052</u>
<b>Total equity</b>		<u>44,579</u>	<u>34,652</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2022*

## 1. CORPORATE INFORMATION

The Company was incorporated in Cayman Islands with limited liability under the Companies Law of Cayman Islands on 14 April 2010. The Company's registered office is located at PO Box 309, Uglan House, Grand Cayman, KY1-1104 Cayman Islands. The Company's principal places of business are located at No. 552 Xuehai Road, Nanyuan, Linping District, Hangzhou City, Zhejiang Province, The People's Republic of China (the "PRC") and Office Unit No. 07, 5/F, Workingberg Commercial Building, Nos. 41–47 Marble Road, Hong Kong.

The Company's shares were listed on GEM of 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 PRC ("Hong Kong China") and other countries and regions. In the opinion of the Directors, the Company's parent and ultimate is Topliu Limited, a company incorporated in the British Virgin Islands.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Hong Kong dollar ("HK\$") which is the Company's functional and presentation currency, and all value are rounded to the nearest thousand HK\$ except where otherwise indicated.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The Directors consider that the application of the amendments to HKFRS in the current year had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2024.

The Directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### **3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The Directors, at the time of approving the consolidated financial statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below. The measurement bases are fully described in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability

if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 4. SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”) has been identified collectively as the executive Directors.

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.

During the year ended 31 December 2021, executive Directors regularly review revenue and operating results derived from development, operation, publishing and distribution of online and mobile games and consider as one single operating segment. No other discrete financial information is reported to executive Directors.

During the year ended 31 December 2022, the Group commenced the business engaging in the provision of software service. It is considered as a new operating and reportable segment by the CODM and resulted in changes to the composition of its reportable segments. The executive directors regularly review revenue and operating results derived from the following businesses and no other discrete further segment information reported to the executive Directors is presented:

- 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; and
- The Software Service Business, which is primarily engaged in providing internet security technical service and big data related analysis service to the customers.

The Group recognises the Game Business operating income from (i) the revenues attributable to durable in-game virtual items rateably over the Player Relationship Period of the paying players; (ii) the revenue attributable to consumable in-game virtual items at point in time when the items are consumed and the related services are rendered; (iii) the license fee income are recognised on a straight-line basis over the period of the license agreement; and (iv) the royalty income from the licensing arrangement is recognised in accordance with the terms of the agreement, and also the Software Service Business operating income from the provision of software services is recognised at a point in time when the services are completed. These businesses are the basis on which the Group reports its primary segment information.

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile.

### Geographical information

The Group's revenue and information about its non-current assets by geographical location are detailed below.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue</b>		
<b>By country/region</b>		
PRC	29,678	–
Hong Kong	56,198	69,870
Taiwan	5,424	14,625
	<u>91,300</u>	<u>84,495</u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current assets</b>		
<b>By country/region</b>		
PRC	3,675	–
Hong Kong	14,577	7,956
Taiwan	96	73
	<u>18,348</u>	<u>8,029</u>

### Information about major customers

There is no single customer contributed to 10% or more revenue to the Group's revenue for the year.

## 5. REVENUE AND OTHER INCOME

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Game operation income	57,270	72,474
Game publishing income	303	371
Royalty income	3,492	10,989
License fee income	557	661
Software service	29,678	–
	<u>91,300</u>	<u>84,495</u>
<b>Other income</b>		
Interest income	92	2
Gain on disposal of cryptocurrencies	–	403
Government grants	985	–
Exchange gains and losses, net	1,866	–
Other income	291	280
	<u>3,234</u>	<u>685</u>

## 6. (LOSS) PROFIT BEFORE TAX

(Loss) profit before tax is arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<i>Under cost of services rendered:</i>		
Amortisation of intangible assets	2,054	4,555
Depreciation of property, plant and equipment	295	182
Royalty expenses	14,677	19,072
Services charged by game distribution channels	14,649	18,369
Others	36,128	9,433
	<u>67,803</u>	<u>51,611</u>
<i>Under administrative expenses:</i>		
Auditor's remuneration	600	550
Rental expense on short-term leases	157	311
Depreciation of right-of-use assets	1,334	1,349
<i>Under finance costs:</i>		
Interest expenses on lease liabilities	25	44
<i>Under other expenses:</i>		
Intangible assets written off	–	30
Amortisation of intangible assets		
— Under cost of services rendered	2,054	4,555
— Under administrative expenses	569	–
	<u>2,623</u>	<u>4,555</u>
Depreciation of property, plant and equipment		
— Under cost of services rendered	295	182
— Under administrative expenses	33	36
	<u>328</u>	<u>218</u>
Staff costs excluding directors' remuneration		
— Salaries and allowances	9,740	9,544
— Contributions on defined contribution retirement plan	546	647
	<u>10,286</u>	<u>10,191</u>

## 7. INCOME TAX EXPENSES

No provision for the PRC Enterprise Income Tax (“EIT”) is made as the Group has no assessable profit arising in or derived from the PRC for both years. A provision for the PRC Enterprise Income Tax is calculated at the applicable rate of 25% in accordance with the relevant laws and regulation in the PRC.

No provision of Taiwan Enterprise Income Tax for the Company’s Taiwan branch as the branch has not generated any tax assessable profits in Taiwan for both years. A provision for the Taiwan Enterprise Income Tax is calculated at the applicable rate of 20% in accordance with the relevant laws and regulation in Taiwan.

No provision for Hong Kong Profits Tax was made as the Group has not generated any tax assessable profits in Hong Kong for both years. A provision for Hong Kong Profits Tax is calculated at the applicable rate of 16.5% for the Group’s estimated assessable profits derived in Hong Kong.

Reconciliation between income tax expense and accounting (loss) profit at applicable tax rate is as follows:

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
(Loss) profit before income tax	<u>(11,128)</u>	<u>556</u>
Tax on (loss) profit before income tax, calculated at rates applicable to profits in the tax jurisdictions concerned	(1,175)	494
Tax effect of non-deductible expenses	555	128
Tax effect of non-taxable revenue	(849)	(533)
Tax effect of temporary difference not recognised	9	176
Tax effect of tax losses not recognised	1,460	31
Utilisation of tax losses previously not recognised	<u>–</u>	<u>(296)</u>
Income tax expenses	<u>–</u>	<u>–</u>

As at 31 December 2022, the Taiwan branch has unused tax losses of approximately HK\$17,358,000 (2021: HK\$15,469,000) available for offset against future taxable profits in Taiwan. No deferred tax assets have been recognised in respect of these tax losses due to the unpredictability of future profit streams. These tax losses can be carried forward for a period of 10 years.

As at 31 December 2022, the Group excluding Taiwan branch and PRC subsidiaries has unused tax losses of approximately HK\$55,619,000 (2021: HK\$44,424,000) available for offset against future taxable profits. No deferred tax assets have been recognised in respect of these tax losses due to unpredictability of future profit streams. These tax losses can be carried forward indefinitely.

As at 31 December 2022, the Group also has tax losses arising in the PRC of approximately HK\$569,000 (2021: Nil), that will expire in one to five years for offsetting against future taxable profits. No deferred tax assets have been recognised in respect of these tax losses due to the unpredictability of future profit streams.

## 8. DIVIDENDS

No dividends have been paid or declared by the Company or any of the subsidiaries during the year (2021: Nil).

## 9. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share is based on the loss for the year attributable to the owners of the Company amounted to approximately HK\$11,128,000 (2021: profit of approximately HK\$556,000) and on the basis of the weighted average number of 215,637,392 ordinary shares (2021: 184,768,000 ordinary shares) in issue.

The number of shares for the purposes of basic (loss) earnings per share for the years ended 31 December 2021 and 2022 has been adjusted for the Rights Issue completed on 28 July 2022.

Diluted (loss) earnings per share were the same amount as the basic (loss) earnings per share as the Group has no dilutive potential ordinary shares during the years ended 31 December 2022 and 2021.

## 10. TRADE RECEIVABLES

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Trade receivable	<u><b>4,349</b></u>	<u>4,414</u>

The Group normally allows credit period within 60 days to its trade debtors. At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis.

The ageing analysis of trade receivables (net of impairment losses), based on the invoice date, as of the end of the reporting period is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Not more than 30 days	<b>3,933</b>	3,061
30–60 days	<b>317</b>	605
Over 60 days	<u><b>99</b></u>	<u>748</u>
	<u><b>4,349</b></u>	<u>4,414</u>

At each reporting date, the Group reviews receivables for evidence of impairment on both individual and collective basis. The expected credit loss rate on trade receivables was assessed to be minimal and no provision was made for the year.

The directors consider that the carrying amounts of trade receivables approximate their fair value.

## 11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Prepayments	8,390	4,563
Prepaid royalties	2,132	1,564
Deposits	395	470
Other receivables	615	279
Amount due from a related party ( <i>note</i> )	<u>1,018</u>	<u>–</u>
	<u><u>12,550</u></u>	<u><u>6,876</u></u>

*Note:* The amount due from a related party of Mr. Liu Yi, the executive Director and Chief Executive Officer of the Company was unsecured, interest free and have no fixed repayment terms. The amount were fully settled subsequent to the end of the reporting period.

## 12. TRADE PAYABLES

The amount is mainly due to its suppliers.

As at 31 December 2022, out of the Group's trade payables, the Group has trade payables of approximately HK\$1,124,000 aged within 30 days and the remaining balances are aged over 30 days, based on invoice date.

As at 31 December 2021, the Group's trade payables mainly are aged within 30 days, based on invoice date.

## 13. OTHER PAYABLES, ACCRUALS AND CONTRACT LIABILITIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Other payables	1,605	2,744
Accruals	<u>3,391</u>	<u>3,188</u>
	<u><u>4,996</u></u>	<u><u>5,932</u></u>

### Contract Liabilities

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Receipt in advance	206	699
Deferred income	<u>10,109</u>	<u>9,375</u>
	<u><u>10,315</u></u>	<u><u>10,074</u></u>

Typical payment terms which impact on the amount of contract liabilities are as follows:

- Receipt in advance represents the advance received from licensee.
- Deferred income represents the unutilised game credit of income received in respect of in-game virtual items paid by Paying Players.

#### Movements in contract liabilities

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Balance as at 1 January	<b>10,074</b>	10,771
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	<b>(9,937)</b>	(10,084)
Increase in contract liabilities as a result of unamortised portion of income received in respect of in-game virtual Items paid by Paying Players and prepaid royalty by licensee	<b>10,178</b>	9,387
	<b><u>10,315</u></b>	<u>10,074</u>

#### Unsatisfied long-term license contract

The following table shows unsatisfied performance obligations resulting from long-term fixed price license contract.

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Aggregate amount of the transaction price allocated to long-term license contract that are partially or fully unsatisfied as at 31 December	<b>137</b>	687

The Directors expect that the transaction price allocated to the unsatisfied contract as of 31 December 2022 is recognised approximately HK\$550,000 as revenue in the 2022 financial year and approximately HK\$137,000 will be recognised as revenue in the 2023 financial year. The amount disclosed above does not include variable consideration which is constrained.

Other license contract and deferred income for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

The Directors consider that the carrying amounts of accrued expenses, other payables and contract liabilities approximate their fair values.

## 14. CAPITAL COMMITMENTS

### (a) Capital commitments

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Capital expenditure in respect of acquisition of intangible assets contracted but not provided for with respect of license right	<u>5,572</u>	<u>3,447</u>

### (b) Commitments for investment in PRC subsidiaries

On 28 December 2021, the Group established a wholly owned subsidiary, 浙江智傲控股集團有限公司 (Zhejiang Gameone Holding Group Limited, “**Zhejiang Gameone**”) in the PRC with registered capital of RMB50,000,000 (equivalent to approximately HK\$61,350,000) and the capital contribution shall be made to Zhejiang Gameone on or before 27 December 2070 in accordance with the memorandum of association of Zhejiang Gameone.

As at 31 December 2022, the Group has contributed RMB4,295,400 (HK\$5,000,000) (2021: Nil) capital fund to Zhejiang Gameone.

On 13 September 2022, the Group established a wholly owned subsidiary, 黑龍江智傲網絡科技有限公司 (Heilongjiang Gameone Online Technology Co. Limited, “**Heilongjiang Gameone**”) in the PRC with registered capital of USD1,000,000 (equivalent to approximately HK\$7,849,000) and the capital contribution shall be made to Heilongjiang Gameone on or before 1 September 2032 in accordance with the memorandum of association of Heilongjiang Gameone.

As at 31 December 2022, the Group has contributed USD700,000 (HK\$5,472,000) capital fund to Heilongjiang Gameone.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

We are an integrated game developer, operator and publisher focusing on the market of Hong Kong and Taiwan. We operate and publish our self/co-developed and licensed games in Hong Kong and Taiwan primarily through our game distribution platforms as well as other third-party distribution platforms. We collect payments from players either through our 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. 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. Starting from 2022, we have developed the business in relation to development and marketing of e-commerce and cybersecurity technology in the PRC market. We provide technical services and collect payments from e-commerce customers and help these customers to increase their sales in Douyin and Kuaishou platform. We provide software services to cybersecurity customers to help them avoid cyberattacks.

In 2022, we have established our headquarter, Zhejiang Gameone, in Linping District, Hangzhou City, Zhejiang Province. Through market development throughout 2022, we have opened up the situation in the China mainland market and expanded our revenue level. We commence to provide software services in the PRC.

The outbreak of the novel Coronavirus 2019 since the beginning of 2020 is a fluid and challenging situation faced by all the industries of Hong Kong and even worldwide. In the financial year ended 31 December 2022, the Group recorded a net loss of approximately HK\$11.1 million as compared to a net profit of approximately HK\$0.6 million for the same period in 2021. The turnaround was mainly attributable to (1) the Group's gross profit for 2022 decreased by HK\$9.4 million compared with that of 2021 due to the decrease in the Group's game operation income from licensed mobile games such as "Teddy Boy M (古惑仔M)" and "ACE SOCCER (球場風雲)"; (2) the Group's administrative expense for 2022 increased by HK\$4.9 million due to the increase in expenses such as staff cost, printing stationery and office supplies. In order to increase our market share in the mobile game industry, we plan to expand our business through both organic growth and strategic partnerships. We intend to selectively invest in or enter into strategic partnerships with complementary game developers, development teams, other game operators and distributors in order to broaden the scope, spectrum and reach of our games, particularly mobile games. The Board will closely monitor the performance of the Group and the Group will continue to pursue the key business strategies to expand its gaming portfolio through introducing more high-quality licensed games with a focus on mobile games, to consolidate market position and to enhance marketing efforts.

## PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group recognizes the importance of risk management practices. Thus, it endeavors its best to mitigate its exposure to operating and financial risks in an effective and efficient manner.

The principal risks, challenges and uncertainties faced by the Group include: (i) the mobile game industry is highly competitive; (ii) the game industry is subject to rapid technological changes which may render our games obsolete or unattractive to our users; (iii) we may not be able to extend licenses for our existing licensed games or introduce new licensed games, which will materially and adversely affect our revenue; (iv) we rely on key personnel and our business may be severely disrupted if we lose the services of our key executives and employees; (v) the strong competition in PRC e-commerce market which leads to low gross profit; and (vi) the development of cyberattacks will require us to keep upgrading our software and technical skills.

## FINANCIAL REVIEW

### Revenue

The Group's revenue was approximately HK\$91.3 million for the year ended 31 December 2022 representing an increase of approximately 8.0% from approximately HK\$84.5 million for the corresponding period in 2021, which was primarily attributable to an increase in income from software and technology services in mainland China.

The following table sets out a breakdown of our revenue by its type in absolute amounts and as percentage of our revenue for the periods indicated:

	For the year ended 31 December			
	2022		2021	
	HK\$'000	%	HK\$'000	%
<b>Game operation income</b>				
— Self/co-developed games	5,263	5.8	8,809	10.4
— Licensed games	52,007	57.0	63,665	75.4
<b>Game publishing income</b>				
— Games for publishing	303	0.3	371	0.4
<b>Income from game operation and publishing</b>	<b>57,573</b>	<b>63.1</b>	72,845	86.2
Royalty income	3,492	3.8	10,989	13.0
License fee income	557	0.6	661	0.8
Software service	29,678	32.5	—	—
<b>Total</b>	<b>91,300</b>	<b>100</b>	84,495	100

We offered our games in two forms: mobile games or online PC games. The following table sets out a revenue breakdown by game forms in absolute amounts and as percentage of our revenue for the periods indicated:

	<b>For the year ended 31 December</b>			
	<b>2022</b>		<b>2021</b>	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Mobile games	<b>54,049</b>	<b>59.2</b>	65,621	77.7
Online PC games	<b>3,524</b>	<b>3.9</b>	7,224	8.5
<b>Income from game operation and publishing</b>	<b>57,573</b>	<b>63.1</b>	72,845	86.2
Royalty income	<b>3,492</b>	<b>3.8</b>	10,989	13.0
License fee income	<b>557</b>	<b>0.6</b>	661	0.8
Software service	<b>29,678</b>	<b>32.5</b>	–	–
<b>Total</b>	<b>91,300</b>	<b>100</b>	84,495	100

#### **Cost of services rendered**

The Group's cost of services rendered for the year ended 31 December 2022 was approximately HK\$67.8 million, representing an increase of approximately 31.4% from approximately HK\$51.6 million for the corresponding period in 2021, which was primarily attributable to the combined effect of (i) an increase of approximately HK\$27.9 million in software service-related costs in mainland China; (ii) a decrease of approximately HK\$3.7 million in channel fees; (iii) a decrease of approximately HK\$4.4 million in royalty expenses; and (iv) a decrease of approximately HK\$2.5 million in amortization of intangible assets during the year ended 31 December 2022.

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

The Group's gross profit for the year ended 31 December 2022 was approximately HK\$23.5 million, representing a decrease of approximately 28.6% from approximately HK\$32.9 million for the year ended 31 December 2021, primarily due to the decrease in game operating revenue of the Group's licensed mobile games, "Teddy Boy M (古惑仔 M)" and "ACE SOCCER (球場風雲)" and licensed mobile game "Tie Xue 2 (鐵血2)" in Taiwan.

The Group's gross profit margin for the year ended 31 December 2022 was approximately 25.7%, representing a decrease of approximately 13.2 percentage points compared to approximately 38.9% for the year ended 31 December 2021. The decrease in gross profit margin was mainly attributable to the lower gross profit margin of software services in the mainland.

## **Selling expenses**

The Group's selling expenses for the year ended 31 December 2022 were approximately HK\$21.1 million, which remained constant when compared with approximately HK\$21.1 million for the corresponding period in 2021.

## **Administrative expenses**

The Group's administrative expenses for the year ended 31 December 2022 were approximately HK\$16.8 million, representing an increase of approximately 41.2% from approximately HK\$11.9 million for the year ended 31 December 2021, primarily attributable to the increase in staff costs and printing stationery and office supplies expenses.

## **(Loss) profit for the year**

The Group recorded a loss for the year ended 31 December 2022 of approximately HK\$11.1 million as compared with a profit of approximately HK\$0.6 million for the corresponding period in 2021, primarily attributable to primarily attributable to (i) the decrease in game revenue of the Group's licensed mobile games, "Teddy Boy M (古惑仔M)" and "ACE SOCCER (球場風雲)"; and (ii) the increase in labor costs and printing stationery and office supplies expenses during the year as compared with 2021.

## **CAPITAL STRUCTURE**

The Group's shares were successfully listed on GEM on 13 January 2016 (the "**Listing Date**"). The share capital of the Group only comprises of ordinary shares.

On 28 July 2022, the number of issued share capital of the Company increased to 240,000,000 shares of the Company (the "**Shares**") as a result of the completion of the rights issue (the "**Rights Issue**"). For details of the Rights Issue, please refer to the prospectus of the Company dated 6 July 2022 (the "**Rights Issue Prospectus**").

In addition, the board lot size for trading in the Shares has been changed from 4,000 Shares to 12,000 Shares per board lot with effect from 29 July 2022.

As at 31 December 2022, the Company's issued share capital was HK\$2.4 million and the number of its issued ordinary shares was 240,000,000 of HK\$0.01 each.

## LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

We financed our operations primarily through cash generated from our operating activities. During the year ended 31 December 2022, we did not have any bank borrowings. As at 31 December 2022, we had cash and cash equivalents of approximately HK\$27.3 million (31 December 2021: approximately HK\$35.4 million), which were cash at banks and on hand. No banking facility has been arranged by our Group during the year ended 31 December 2022.

During the year ended 31 December 2022, the Company completed the Rights Issue and obtained net proceeds of approximately HK\$21.3 million. For details, please refer to the section “Rights Issue and Use of Net Proceeds” below.

Our primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

## RIGHTS ISSUE AND USE OF NET PROCEEDS

On 10 June 2022, the Company announced that it proposed to raise approximately HK\$22.4 million, before expenses of approximately HK\$1.1 million, by issuing 80,000,000 rights shares (the “**Rights Share(s)**”), which after fully-paid would rank pari passu with the ordinary Shares, by way of Rights Issue at the subscription price of HK\$0.28 per Rights Share, on the basis of one Rights Share for every two existing Shares held on the record date by the shareholders of the Company (the “**Shareholders**”). Completion of the Rights Issue took place on 28 July 2022, where an aggregate of 80,000,000 Rights Shares, representing approximately 33.3% of the issued share capital of the Company (as enlarged by the allotment and issue of the Rights Shares), were issued. Upon completion of the Rights Issue, the number of issued share capital of the Company increased to 240,000,000 Shares. The aggregate nominal amount of the Rights Shares is HK\$2,400,000. The subscription price of the Rights Share represents a discount of approximately 40.4% to the closing price of HK\$0.470 per share as quoted on the Stock Exchange on the date of announcement of the Rights Issue on 10 June 2022. The net subscription price is approximately HK\$0.266 per Rights Share. The reasons for the Rights Issue were to raise funds for (i) the development of the business in relation to development and marketing of e-commerce and cybersecurity technology in the PRC (the “**New PRC Business**”); and (ii) general working capital.

As disclosed in the Rights Issue Prospectus, the gross proceeds from the Rights Issue were approximately HK\$22.4 million and the net proceeds from the Rights Issue, after deducting the related expenses and underwriting commission, were approximately HK\$21.3 million.

From the completion of the Rights Issue to 31 December 2022, the net proceeds from the Rights Issue of the Company had been applied as follows:

	<b>Planned use of proceeds as stated in the Rights Issue Prospectus HK\$'million</b>	<b>Actual use of proceeds during the year ended 31 December 2022 HK\$'million</b>
<b>(1) Finance the development of the New PRC Business</b>		
(a) online marketing and promotion of the New PRC Business to further enhance brand awareness	8.5	8.5
(b) lease or purchase of the technological hardware (such as server) to further upgrade the Group's cybersecurity technology required for its existing mobile and online gaming business and the e-commerce business, which at the same time will also be applied by the Group to enhance its ability in providing cybersecurity solutions and services under the cybersecurity business	6.4	6.4
(c) expansion of manpower	2.1	2.1
<b>(2) General working capital of the Group</b>	4.3	4.3
	21.3	21.3

During the year ended 31 December 2022, the net proceeds from the Rights Issue have been fully utilized and have been applied in the manner set out in the disclosure in the Rights Issue Prospectus.

For the online marketing and promotion of the New PRC Business, the Group has spent HK\$8.5 million on the marketing and promotion campaigns on various traffic platforms such as Ocean Engine Shopping Ads, Tencent Ads and Kuaishou for the year ended 31 December 2022. For the lease or purchase of the technological hardware, the Group has spent HK\$6.4 million primarily on leasing cloud server computing power for the provision of cybersecurity technology solutions for the year ended 31 December 2022. For the expansion of manpower, the Group has spent HK\$2.1 million on hiring experienced personnel to handle the business affairs of the Company.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

Save as disclosed herein, there was no material acquisition and disposal of subsidiaries and associated companies by the Company during the year ended 31 December 2022.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

During the year ended 31 December 2022, there was no significant investment held by the Group.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed herein, the Group did not have any concrete plan for material investments or capital assets as at 31 December 2022.

## **FOREIGN EXCHANGE EXPOSURE**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposures to currency risk arise mainly from its overseas income or payment on royalty and license fee, which are primarily denominated in United States dollar, Japanese Yen or Renminbi. These are not the functional currencies of our principal subsidiaries to which these transactions related. We currently do not have a foreign currency hedging policy. However, we monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

## **BORROWING AND GEARING RATIO**

During the year ended 31 December 2022, we did not have any short-term or long-term bank borrowings.

As at 31 December 2022, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was approximately 30.5% (31 December 2021: approximately 36.7%).

## **TREASURY POLICIES**

The Group adopts a conservative approach towards its treasury policies. We monitor our trade receivables on an ongoing basis and only trade with creditworthy parties. We consider the credit risk on liquid funds as low because the counterparties are major banks with high credit ratings. We are subject to concentration of credit risk since majority of our trade receivables are due from a limited number of trade debtors which were primarily the third-party game distribution platforms and payment channels. To

manage liquidity risk, we closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirement.

### **CHARGE ON GROUP ASSETS**

As at 31 December 2022, no asset of the Group was pledged as a security for bank borrowing or any other financing facilities (31 December 2021: Nil).

### **CONTINGENT LIABILITIES**

As at 31 December 2022, the Group did not have any significant contingent liabilities (31 December 2021: Nil).

### **COMMITMENTS**

Our contract commitments mainly involve acquisition of intangible assets. As at 31 December 2022, the Group's capital commitments for acquisition of intangible assets were approximately HK\$5.6 million (31 December 2021: approximately HK\$3.4 million).

On 28 December 2021, the Group established a wholly owned subsidiary, Zhejiang Gameone in the PRC with registered capital of RMB50,000,000 equivalent to approximately HK\$61,350,000) and the capital contribution shall be made to Zhejiang Gameone on or before 27 December 2070 in accordance with the memorandum of association of Zhejiang Gameone. As at 31 December 2022, the Group has contributed RMB4,295,400 (HK\$5,000,000) (2021: Nil) capital fund to Zhejiang Gameone.

On 13 September 2022, the Group established a wholly owned subsidiary, Heilongjiang Gameone in the PRC with registered capital of USD1,000,000 (equivalent to approximately HK\$7,849,000) and the capital contribution shall be made to Heilongjiang Gameone on or before 1 September 2032 in accordance with the memorandum of association of Heilongjiang Gameone.

As at 31 December 2022, the Group has contributed USD700,000 (HK\$5,472,000) capital fund to Heilongjiang Gameone.

### **INFORMATION ON EMPLOYEES**

As at 31 December 2022, the Group had 50 employees (31 December 2021: 49) working in Hong Kong and Taiwan. Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. The total staff cost (including remuneration, allowances and

mandatory provident funds contributions of the Directors) for the year ended 31 December 2022 amounted to approximately HK\$15.6 million (31 December 2021: approximately HK\$13.2 million). The dedication and hard work of the Group's staff during the year ended 31 December 2022 are generally appreciated and recognized.

## **SHARE OPTION SCHEME**

The following is a summary of the principal terms of the share option scheme (the “**Share Option Scheme**”) conditionally approved and adopted by written resolutions of the then shareholders of the Company (the “**Shareholders**”) on 23 December 2015.

### **(a) Purpose**

The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Group's businesses; to provide additional incentives to the employees (whether full-time or part-time employee) and the person who is an officer of any members of the Group or any affiliates, the person who is seconded to work for any member of the Group or any affiliates, the consultant, agent, representative, adviser, customer, contractor of the Group or any affiliates and other selected participants; and to promote the long term financial success of the Group by aligning the interests of option holders to Shareholders.

### **(b) The participants of the Share Option Scheme**

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, the Board may offer to grant an option to the employees (whether full-time or part-time employee) and the person who is an officer of any members of the Group or any affiliates, the person who is seconded to work for any member of the Group or any affiliates, the consultant, agent, representative, adviser, customer, contractor of the Group or any affiliates and other selected participants.

### **(c) Maximum number of shares available for issue**

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 Share Option 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 “**Overriding Limit**”).

In addition to the Overriding Limit and prior to the approval of a Refreshed Mandate Limit below, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue on the Listing Date. Options lapsed in accordance with the terms of the Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

The Company may by ordinary resolutions of the Shareholders refresh the mandate limit provided the Company shall issue a circular containing such information as required by the GEM Listing Rules to Shareholders before such approval is sought. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as refreshed (the “**Refreshed Mandate Limit**”) must not exceed 10% of the Shares in issue as at the date of approval of the Refreshed Mandate Limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with any of the schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

The Company has refreshed the Share Option Scheme mandate limit at the annual general meeting held on 5 May 2022, representing 20% of the total number of the issued Shares on the same date (i.e. a total of 32,000,000 Shares).

**(d) Maximum entitlement of each participants**

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to each Qualifying Grantee must not exceed 1% of the Shares in issue. Where any further grant of options to a Qualifying Grantee would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by Shareholders in general meeting with the relevant Qualifying Grantee and his close associates (or his associates if the participant is a connected person) abstaining from voting. Prior to seeking such approval, the Company shall issue a circular containing such information as required by the GEM Listing Rules to Shareholders.

**(e) Acceptance and payment on acceptance of option offer**

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 the Board may specify in writing).

HK\$1 is payable by the grantee to the Company on acceptance of the option offer.

**(f) Option period**

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 Share Option Scheme, a period of 10 years from the date of the granting of the option).

**(g) Subscription price**

The subscription price in respect of any particular option shall be such price as 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.

For more details of the principal terms of the Share Option Scheme, please refer to the section headed “Share Option Scheme” in Appendix IV to the Prospectus.

For the year ended 31 December 2022, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Share Option Scheme.

**FUTURE PROSPECTS**

In 2022, we have established our headquarters, Zhejiang Gameone, in Linping District, Hangzhou City, Zhejiang Province. Through market development throughout 2022, we have opened up the situation in the China mainland market and expanded our revenue level. Through the expansion of new businesses, we have verified the stickiness of Chinese consumers to apps such as Tiktok and Kuaishou. We are further optimistic about the wide application of short video and live streaming e-commerce in the China mainland market. Based on our headquarters in Hangzhou, we will conduct in-depth research on how to expand our market share in China mainland.

We will strive to continue to maintain our lead in the Hong Kong and China Taiwan markets. To increase our market share in the mobile game industry, we plan to expand our business through organic growth and strategic partnership. We intend to selectively invest in or enter into strategic partnerships with complementary game developers, specialized technique providers, other game operators and distributors in order to broaden the scope, spectrum and reach of our games, particularly mobile games.

We have been keen on increasing our brand recognition such that our brand will be associated with quality games and peripheral products. To achieve such great goal, we spare no effort in talent investment. We have applied for the establishment of an R&D center recognized by the Hangzhou Government's Technology Department at our headquarters in Hangzhou, and plan to purchase the corresponding hardware and software to cope with the rapid technological development of the game industry. Moreover, our investment in both hardware and software in the R&D centre will form a higher entrance barrier for potential newcomers in future and maintain our competitive edge over existing competitors.

## **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 ended 31 December 2022 and up to the date of this announcement except for the below deviation.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Code provision C.2.1 of the Code as set out in Appendix 15 of the GEM Listing Rules 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 Yi has been appointed as chairman and chief executive director with effect from 7 January 2022, performs the roles of the Chairman and the Chief Executive Officer, the Company has deviated from this Code from 7 January 2022. However, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. Liu Yi 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.

Reference is made to the announcements of the Company dated 6 January 2022 and 7 January 2022 in respect of the resignation of Ms. Wong Pui Yain as a non-executive Director. Pursuant to Rule 17.104 of the GEM Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. Following the resignation of Ms. Wong Pui Yain on 6 January 2022, the Company did not have a female Director,

and hence the Company failed to meet the requirement as set out in Rule 17.104 of the GEM Listing Rules. Following the appointment of Ms. Ngo Mei Kwan as an independent non-executive Director with effect from 7 January 2022, the Company has Directors of both genders on the Board. As such, the Company has complied with the requirement set out in Rule 17.104 of the GEM Listing Rules as at 7 January 2022 and up to the date of this announcement.

## **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 year 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 year under review.

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

During the year ended 31 December 2022, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil).

## **NON-COMPETITION UNDERTAKINGS**

During the year ended 31 December 2022, the Board had not received any written confirmation from any of the Directors in respect of interest in any business (other than our Group) which is or is likely to be directly or indirectly in competition with our business.

## **SCOPE OF WORK OF KENSWICK CPA Limited**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group’s auditor, Kenswick CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2022. The work performed by Kenswick CPA Limited in this

respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Kenswick CPA Limited on the preliminary announcement.

## **AUDIT COMMITTEE**

The Audit Committee was established on 23 December 2015. The chairman of the Audit Committee is Mr. Lu Yi (appointed with effect from 7 January 2022), our independent non-executive Director, other members include Ms. Ngo Mei Kwan (appointed with effect from 7 January 2022), Mr. Jin Baiting (appointed with effect from 7 January 2022), Dr. Fung Ying Him Anthony (resigned with effect from 7 January 2022), Mr. Iu Tak Meng Teddy (the former chairman and resigned with effect from 7 January 2022) and Mr. Yung Kai Tai (resigned with effect from 7 January 2022), our independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

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 Group's consolidated financial statements for the year ended 31 December 2022 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2022 comply with applicable accounting standards, GEM Listing Rules and the Hong Kong Companies Ordinance and adequate disclosures have been made.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The forthcoming annual general meeting is scheduled to be held on Friday, 5 May 2023 (the “AGM”). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 2 May 2023 to Friday, 5 May 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 28 April 2023.

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

Hong Kong, 21 March 2023

*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 will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://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](http://www.gameone.com.hk).*