

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **GAMEONE HOLDINGS LIMITED**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed “15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents or other documents referred to above. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Warning of the risks of dealing in the shares and the nil-paid rights” in the “Letter from the Board” in this Prospectus.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.



GAMEONE HOLDINGS LIMITED

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8282)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Financial Adviser to the Company



Innovax Capital Limited

Underwriter



Innovax Securities Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus unless otherwise stated.

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement”). Accordingly, the proposed Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Tuesday, 19 December 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 4 January 2024 to Thursday, 11 January 2024 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the proposed Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the proposed Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Rights Issue will proceed on a fully underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the paragraph headed “Conditions precedent of the Rights Issue” in this Prospectus.

2 January 2024

CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

Terms used in this Prospectus have the following meanings unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 21 November 2023, in relation to, among other, Share Consolidation and the proposed Rights Issue
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or an Extreme Condition is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Gameone Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for the Excess Rights Share(s)

DEFINITIONS

“Excess Rights Shares”	any Nil-paid Rights provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of Nil-paid Rights prior to the Latest Time for Acceptance, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall (for avoidance of any doubt) include any of the Rights Shares created from the aggregation of fractions of the Rights Shares
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any individual(s) or company(ies) independent of the Company and its connected persons and not connected with any of them or their respective associate(s)
“Irrevocable Undertakings”	the irrevocable undertakings executed by Topliu Limited and Mr. Huang in favour of the Company, the principal terms of which are disclosed in the section headed “The Irrevocable Undertakings” in this Prospectus
“Last Trading Day”	Tuesday, 21 November 2023, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	Thursday, 21 December 2023, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained this Prospectus

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 16 January 2024 or such later time or date as may be agreed between the Company and the Underwriter in writing, being the latest time for acceptance of, and payment for, the Rights Shares and application for and payment for Excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Wednesday, 17 January 2024 or such later time or date as may be agreed between the Company and the Underwriter in writing, which shall be the latest time for termination of the Underwriting Agreement
“Mr. Huang”	Mr. Huang Jianying, an executive Director and one of the Controlling Shareholders of the Company, who is the legal and beneficial owner of 4,047,750 Shares as at the Latest Practicable Date
“Mr. Liu”	Mr. Liu Yi, the chairman, the chief executive officer, an executive Director and one of the Controlling Shareholders of the Company, who is the ultimate beneficial owner of 9,525,785 Shares through Topliu Limited as at the Latest Practicable Date
“Nil-Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil paid form) before the Subscription Price is paid
“Old Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China and for the purpose of this Prospectus, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Prospectus”	the prospectus (including any supplementary prospectus, if any) despatched to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)

DEFINITIONS

“Prospectus Posting Date”	Tuesday, 2 January 2024 or such other date as may be agreed in writing between the Company and the Underwriter, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders (or in case of Excluded Shareholder(s), the Prospectus only)
“Qualifying Shareholder(s)”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Friday, 29 December 2023, or on such other date as the Company may determine, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of up to 12,000,000 Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) Shares held at the close of business on the Record Date payable in full on acceptance
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Share Consolidation”	the consolidation of every ten (10) issued then Old Shares into one (1) Share, which became effective on 18 December 2023
“Share Option Scheme”	the share option scheme of the Company adopted on 23 December 2015
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.10 per Rights Share

DEFINITIONS

“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Topliu Limited”	Topliu Limited, a company incorporated in the British Virgin Islands, which is legal and beneficial owner of 9,525,785 Shares as at the Latest Practicable Date and is wholly owned by Mr. Liu, the executive Director and one of the Controlling Shareholders of the Company
“Underwriter”	Innovax Securities Limited, a licensed corporation under the SFO permitted to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities
“Underwriting Agreement”	the underwriting agreement dated 21 November 2023 entered into between the Company and the Underwriter in relation to the Rights Issue, and as revised, supplemented and/or amended from time to time in accordance with its terms
“Underwritten Shares”	such number of unsubscribed Rights Shares (excluding the Rights Shares to be provisionally allotted to Topliu Limited and Mr. Huang subject to the Irrevocable Undertakings and up to 5,213,233 Rights Shares) to be underwritten by the Underwriter on fully underwritten basis pursuant to the terms and conditions of the Underwriting Agreement
“%”	per cent

English translations of the Chinese names or words which are included in this Prospectus and marked with “” are for identification purposes only, and should not be regarded as the official English translation of such Chinese names or words. If there is any inconsistency, the Chinese names or words shall prevail.*

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any such change will be further announced by the Company as and when appropriate.

Event	Time and Date (Hong Kong time)
Despatch of the Prospectus Documents to the Qualifying Shareholders (in the case of the Excluded Shareholder(s) the Prospectus only).....	Tuesday, 2 January 2024
First day of dealing in nil-paid Rights Shares in board lot of 12,000 Rights Shares	Thursday, 4 January 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares	Thursday, 4 January 2024
Latest time for splitting of PAL.....	4:30 p.m. on Monday, 8 January 2024
Last day of dealing in nil-paid Rights Shares in board lot of 12,000 Rights Shares	Thursday, 11 January 2024
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares.....	4:00 p.m. on Tuesday, 16 January 2024
Latest time for termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 17 January 2024
Announcement of allotment results of the Rights Issue	Tuesday, 23 January 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of the Shares	4:00 p.m. on Wednesday, 24 January 2024
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any) for wholly and partially unsuccessful excess applications to be posted.....	Wednesday, 24 January 2024
Commencement of dealings in fully-paid Rights Shares in board lot of 12,000 Rights Shares	9:00 a.m. on Thursday, 25 January 2024

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHTS SHARES

Whenever any part of the expected timetable of the Rights Issue as enlisted in the provisions of the Underwriting Agreement may be interrupted by a typhoon, a black rainstorm warning or Extreme Condition, the Company shall properly inform the Shareholders of the corresponding contingency arrangements, which contingency arrangements shall include the Latest Time for Acceptance not taking place on the time as scheduled:

- (a) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or an Extreme Condition is in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 5:00 p.m. on the same Business Day; or
- (b) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or an Extreme Condition is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on or before 4:00 p.m. on Tuesday, 16 January 2024, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may in its absolute discretion terminate the Underwriting Agreement by notice in writing to the Company at any time prior to the Latest Time for Termination, if at or prior to such time:

- (A) the Underwriter becomes aware of the fact that there shall develop, occur, exist or come into effect:
 - (i) any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of the Company, or in which the Company conducts or carries on business; or
 - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or
 - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
 - (iv) any event of *force majeure* including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out,

and in the reasonable opinion of the Underwriter, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

- (B) there comes to the notice of the Underwriter that the Company has committed any breach of or omits to observe any of its obligations or undertakings under the Underwriting Agreement, and such breach or omission will have a material and adverse effect of the business, financial or trading position or prospects of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD



GAMEONE HOLDINGS LIMITED

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8282)

Executive Directors:

Mr. Liu Yi
Mr. Huang Jianying

Independent Non-executive Directors:

Ms. Ngo Mei Kwan
Mr. Jin Baiting
Mr. Lu Yi

Registered Office:

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

*Head offices and principal place of business
in PRC:*

No. 552 Xuehai Road, Nanyuan
Linping District, Hangzhou City,
Zhejiang Province,
The People's Republic of China

*Head offices and Principal place of
business in Hong Kong:*

Office Unit No. 07, 5/F
Workingberg Commercial Building
Nos. 41–47 Marble Road Hong Kong

2 January 2024

*To the Qualifying Shareholders and, for information purpose only,
to the Excluded Shareholder(s),*

Dear Sir/Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR
EVERY TWO (2) SHARES HELD ON THE RECORD DATE**

INTRODUCTION

References are made to the Announcement dated 21 November 2023 in relation to, among other things, the Rights Issue. The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholder(s).

LETTER FROM THE BOARD

On 21 November 2023, the Company and the Underwriter entered in to the Underwriting Agreement, pursuant to which the Underwriter has agreed to the underwrite, on a fully underwritten basis, up to 5,213,233 Rights Shares, subject to the terms and conditions set out in the Underwriting Agreement.

The purpose of this Prospectus is to provide you with information, among other, relating to (i) the Rights Issue; (ii) the financial information of the Group; and (iii) other general information of the Group.

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue, details of which are summarised below:

Issue statistics

Assuming no other change in the number of issued Shares or before the Record Date:

Basis of the Rights Issue:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$1.10 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated costs and expenses incurred in relation to the Rights Issue):	Approximately HK\$1.02 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	24,000,000 Shares
Number of Rights Shares to be issued:	12,000,000 Rights Shares
Aggregate nominal value of the Rights Shares:	HK\$1,200,000
Number of Shares in issue immediately upon completion of the Rights Issue:	36,000,000 Shares
Number of Rights Shares undertaken to be taken up:	Pursuant to the Irrevocable Undertakings, (i) Topliu Limited has undertaken to the Company that it will subscribe for 4,762,892 Rights Shares, representing its full entitlement under the Rights Issue; (ii) Mr. Huang has undertaken to the Company that he will subscribe for 2,023,875 Rights Shares, representing his full entitlement under the Rights Issue

LETTER FROM THE BOARD

Numbers of Rights Shares underwritten by the Underwriter:	Up to 5,213,233 Rights Shares
Gross proceeds from the Rights Issue:	Approximately HK\$13,200,000 (assuming all the Rights Shares will be taken up)
Right of excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company has no outstanding derivatives, options, warrants or securities in issue which confer any rights to subscribe for, convert or exchange into Shares. The Company has no intention to issue or grant any Shares, options, warrants and/or convertible securities and repurchase of Shares on or before the Record Date. The total number of Shares may issue under the Share Option Scheme or any other share option scheme shall not exceed 1,600,000 Shares after the Share Consolidation and Rights Issue. No share option has been granted, exercised, expired or lapsed under the Share Option Scheme since its adoption.

The 12,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 50.0% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 33.3% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

The Irrevocable Undertakings

As at the Latest Practicable Date, Topliu Limited (which is wholly-owned by Mr. Liu) and Mr. Huang were interested in 9,525,785 Shares and 4,047,750 Shares, which represent approximately 39.69% and 16.87% of the issued Shares, respectively. Pursuant to the Irrevocable Undertakings, (i) Topliu Limited has undertaken to the Company that it will subscribe for 4,762,892 Rights Shares, representing its full acceptance of its provisional entitlement under the Rights Issue; (ii) Mr. Huang has undertaken to the Company that he will subscribe for 2,023,875 Rights Shares, representing his full acceptance of his provisional entitlement under the Rights Issue; (iii) Topliu Limited and Mr. Huang have undertaken not to apply for excess Rights Shares under the EAF; (iv) Topliu Limited and Mr. Huang have undertaken to the Company that each of them will lodge the duly completed and signed PALs and all relevant documents with the Registrar, accompanied by payment in full therefore in accordance with the terms of the Prospectus Documents by the Latest Time for Acceptance; and (v) Topliu Limited and Mr. Huang have undertaken to the Company that they will, from the date of the Irrevocable Undertakings through to the Latest Time for Acceptance, remain the registered and beneficial owners of the 9,525,785 Shares and 4,047,750 Shares representing their respective shareholding in the Company as at the Latest Practicable Date, and will not sell, transfer, charge or create any encumbrance or grant any option over or otherwise dispose of, nor enter into any agreement for the sale, transfer, charge or creation of an encumbrance or grant of any option over or otherwise dispose of, any of such Shares or any interest in them, save with the prior written consent of the Company and the Underwriter.

LETTER FROM THE BOARD

Topliu Limited and Mr. Huang are parties acting in concert, further details of which are set out in the composite document of the Company dated 16 December 2021 in relation to the mandatory unconditional cash offer by Innovax Securities Limited for and on behalf of Topliu Limited which was completed in January 2022. Topliu Limited and Mr. Huang were interested in an aggregate of 13,573,535 Shares, representing approximately 56.56% of the issued Shares as at the Latest Practicable Date. Accordingly, the allotment and issue of any Rights Shares to Topliu Limited and Mr. Huang will not give rise to an obligation on the part of Topliu Limited or Mr. Huang to make a general offer under Rule 26.1 of the Takeovers Code.

Save for the Irrevocable Undertakings, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Nil-paid Rights or Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

Subscription Price

The Subscription Price is HK\$1.10 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for the Excess Rights Shares under the Rights Issue or when a transferee of Nil-Paid Rights applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 20.9% to the closing price of HK\$1.39 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 6.8% to the theoretical closing price of HK\$1.03 per Share based on the closing price of HK\$0.103 per Old Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 8.3% to the theoretical average of the closing price of HK\$1.016 per Share based on the average closing price of HK\$0.1016 per Old Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 10.3% to the theoretical average of the closing price of approximately HK\$0.997 per Share based on the average closing price of HK\$0.0997 per Old Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 4.5% to the theoretical ex-rights price of approximately HK\$1.053 per Share based on the theoretical ex-rights price of approximately HK\$0.1053 per Old Share based on the closing price of HK\$0.103 per Old Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (vi) no theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) given that the theoretical diluted price of approximately HK\$1.053 per Share is higher than the benchmarked price of approximately HK\$1.03 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.103 per Old Shares and the average closing prices of approximately HK\$0.1016 per Old Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the Last Trading Day); and
- (vii) a discount of approximately 40.9% to the audited consolidated net asset value per Share of approximately HK\$1.86 as at 31 December 2022 (based on the latest published audited consolidated net asset value attributable to Shareholders of approximately HK\$44,579,000 as at 31 December 2022 and 24,000,000 Shares in issue as at the Latest Practicable Date).

The Subscription Price was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions and the impact of the Share Consolidation; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the financial position of the Group; and (iv) the reasons as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this Prospectus.

In determining the Subscription Price, which represents a premium of approximately 6.8% to the theoretical closing price of HK\$1.03 per Share based on the closing price of HK\$0.103 per Old Share as quoted on the Stock Exchange on the Last Trading Day, the Directors have considered, among other things as mentioned above, market price of the Shares traded on the Stock Exchange in the past three months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Old Shares were traded on the Stock Exchange with an average closing price of approximately HK\$0.118 per Old Share. The Subscription Price of HK\$1.10 per Rights Share represents a discount of approximately 6.8% to the theoretical average closing price of approximately HK\$1.18 per Share based on the average closing price of HK\$0.118 per Old Share for the Relevant Period. Although the Subscription Price represents a premium to the theoretical closing price per Share based on the closing price of the Old Share in the last ten trading days prior to and including the Last Trading Day, the Directors consider that a shorter period may not sufficiently illustrate a meaningful historical trend for a proper assessment due to fluctuation of share price. In addition, the Subscription Price represents a discount of approximately 40.9% to the audited consolidated net asset value per Shares as at 31 December 2022. Accordingly, the Directors believe that the Subscription Price will encourage the Qualifying Shareholders to participate in the future growth of the Group. All Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company and apply for excess Rights Shares subject to the level of acceptance. The Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the Nil-Paid Rights in the market. As such, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the Shares then in issue, including the right to receive all dividends and distributions which may be declared, made or paid with a record date which falls on or after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders on the Record Date. The Company will dispatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, despatch the Prospectus (without the PAL or the EAF) to the Excluded Shareholders (if any) for their information only.

To qualify for the Rights Issue, a Shareholder:

- (i) must be registered as a member of the Company at the close of business on the Record Date; and
- (ii) is not an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

The latest time for acceptance of and payment for the Rights Shares and application for and payment for the Excess Rights Shares is expected to be at 4:00 p.m. on Tuesday, 16 January 2024.

Qualifying Shareholders who take up their *pro rata* entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

LETTER FROM THE BOARD

According to the register of members of the Company as at the Latest Practicable Date, there was one Overseas Shareholder whose registered address is situated in the Cayman Islands, representing approximately 7.65% of the total number of Shares in issue.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Company has made enquiries with the legal advisers as to the Cayman Islands laws regarding the feasibility of extending the Rights Issue to such Overseas Shareholder in the Cayman Islands.

Having made reasonable enquiries, under the Cayman Companies Act, a Cayman Islands exempted company not listed on the Cayman Islands Stock Exchange is prohibited from making any invitation to the public in Cayman Islands to subscribed for its securities. Hence, the Directors are of the view that it is necessary and expedient to exclude the Overseas Shareholder in the Cayman Islands for the purpose of the Rights Issue and such Overseas Shareholder in the Cayman Islands will be regarded as an Excluded Shareholder as the extension of the Rights Issue to such Excluded Shareholder would, or might, incur efforts and expenses for the compliance with the relevant regulatory requirements, which would outweigh any possible benefit to the Company and the Excluded Shareholder. The Company will send a copy of this Prospectus (without the PAL and the EAF) to the Excluded Shareholder for information only.

Save as disclosed above, the Company has no other Overseas Shareholder based on the shareholders information available from the Registrar as at the Latest Practicable Date. As disclosed in the Announcement, the register of members of the Company was closed from Thursday, 21 December 2023 to Friday, 29 December 2023 (both days inclusive), therefore, the Company will not have additional Overseas Shareholders as at the Record Date.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

Arrangements for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s)

The Company will arrange for the Rights Shares, which would be provisionally allotted to the Excluded Shareholder(s) be sold in the market as soon as practicable after the commencement of dealings on the Stock Exchange in Nil-paid Rights and in any event before the last day for dealing in the Nil-paid Rights if a premium (net of expenses) can be obtained. In the event that and to the extent that such Nil-paid Rights can be sold, the Company will then distribute such proceeds in Hong Kong dollars (after deducting the expenses of sale (if any)) to the Excluded Shareholder(s) *pro rata* (but rounded down to the nearest cent) to their shareholdings on the Record Date, except that individual amount of HK\$100 or less shall not be so distributed but shall be retained for the benefit of the Company. Any such unsold Nil-paid Rights to which such Excluded Shareholder(s) would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the section headed "Fractional entitlements to the Rights Shares" below.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and rounded down to the nearest whole number. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the section headed "Application for Excess Rights Shares" below. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares will be available for subscription by the Underwriter or subscribers procured by it.

Application for the Rights Shares

The PALs and the EAFs relating to the Rights Shares will be enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein and application by Qualifying Shareholders shall be made by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

LETTER FROM THE BOARD

Procedures for acceptance and payment or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Tuesday, 16 January 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "**TRICOR TRUST (HONG KONG) LIMITED — A/C NO. 41**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 16 January 2024, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Monday, 8 January 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate the Underwriting Agreement, or if the conditions of the Rights Issue as set out in the paragraph headed "**Conditions precedent of the Rights Issue**" below are not fulfilled or waived (as applicable) before the Latest Time for Termination, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 24 January 2024.

No receipt will be issued in respect of any PAL and/or remittances received.

Application for Excess Rights Shares

The Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the Excess Rights Shares represent:

- (i) any Nil-paid Rights provisionally allotted but not accepted by any of the Qualifying Shareholder(s) or otherwise subscribed for by transferees of Nil-paid Rights prior to the Latest Time for Acceptance;
- (ii) subject to the provisions of the Underwriting Agreement, any entitlements of the Excluded Shareholder(s) provisionally allotted to a nominee of the Company which are left unsold; and
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares.

LETTER FROM THE BOARD

The Company will allocate the Excess Rights Shares (if any) at its sole discretion on a fair and equitable basis under the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a *pro rata* basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by the Qualifying Shareholders;
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of Nil-paid Rights under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application; and
- (iv) no preference will be given to applications for topping up odd lots to whole board lots.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisors if they are in any doubt as to their status. In order to be registered as members of the Company on the Record Date, a Shareholder must have lodged the transfers of Shares (together with the relevant share certificates) with the Registrar for registration by no later than 4:30 p.m. on Wednesday, 20 December 2023.

If you are a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for Excess Rights Shares, you should (unless you are a CCASS Investor Participant) contact your intermediary and provide your intermediary with instructions or make arrangements with your intermediary in relation to the application for Excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “EXPECTED TIMETABLE” as the latest time for application and payment for Excess Rights Shares and otherwise in accordance with the requirements of your intermediary, in order to allow your intermediary sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

Beneficial owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for Excess Rights Shares. HKSCC Nominees Limited will allocate the Excess Rights Shares it receives to the relevant CCASS Participants *pro rata* to the number of Excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate. The procedures for application for Excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Application for Excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker’s cashier order for the amount payable for the Excess Rights Shares being applied for with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Tuesday, 16 January 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to **TRICOR TRUST (HONG KONG) LIMITED — A/C NO. 42** and crossed “**ACCOUNT PAYEE ONLY**”.

An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Tuesday, 23 January 2024. If no Excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at risk of such Qualifying Shareholder on or before Wednesday, 24 January 2024. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is fewer than the number applied for, the surplus application monies are also expected to be refunded to such Qualifying Shareholder without any interest by means of cheque(s) despatched by ordinary post and at risk of such Qualifying Shareholder on or before Wednesday, 24 January 2024.

All cheques or banker’s cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

Completion and return of the EAF together with a cheque or a banker’s cashier order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the banker’s cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereto, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker’s cashier order is dishonoured on first presentation, and in that event, all rights thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

The EAF is for use only by the Qualifying Shareholders to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

If the Underwriter exercises the right to terminate Underwriting Agreement or if any of the conditions precedent of the Rights Issue as set out in the paragraph headed "**Conditions precedent of the Rights Issue**" below is not fulfilled or waived (as applicable) before the Latest Time for Termination, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheque(s) despatched by ordinary post and at risk of such Qualifying Shareholder on or before Wednesday, 24 January 2024.

It should be noted that no receipt will be issued in respect of any EAF and/or remittances received.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions precedent of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Wednesday, 24 January 2024 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be posted on or before Wednesday, 24 January 2024 by ordinary post, at the respective Shareholders' own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the Excess Rights Shares (if any) are expected to be posted on or before Wednesday, 24 January 2024, by ordinary post to the applicants, at their own risk, to their registered addresses.

If the Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying Shareholders or such other person to whom the Nil-paid rights have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on or around Wednesday, 24 January 2024.

LETTER FROM THE BOARD

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Nil-paid Rights or the fully-paid Rights Shares and, regarding the Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the Nil-paid Rights otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Application for listing

The Company has made an application to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company or on which listing or permission to deal is being or is proposed to be sought is listed or dealt in on any other stock exchange.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt. Dealings in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

The board lot size of the nil-paid Rights Shares shall be the same as that of the fully-paid Rights Shares, *i.e.* 12,000 Shares in one board lot.

LETTER FROM THE BOARD

Odd lots arrangements and matching services

To alleviate the difficulties in trading odd lots of the Shares arising from the Rights Issue, the Company has appointed Innovax Securities Limited as the designated broker to provide matching services for the Shareholders who wish to top up or sell their holdings of odd lots of the Shares. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Mr. Wen (Settlement Department) at (852) 2311 0287, Unit A-C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong during the period from 9:00 a.m. on Thursday, 4 January 2024 to 4:00 p.m. on Wednesday, 24 January 2024 (both days inclusive). Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

THE UNDERWRITING AGREEMENT

On 21 November 2023 (after trading hours), the Company and the Underwriter (each a “Party” and collectively, the “Parties”) entered into the Underwriting Agreement in relation to the underwriting and respective arrangements in respect of the Rights Issue.

Further details of the Underwriting Agreement are set out below:

Underwriting Agreement

Date:	21 November 2023 (after trading hours)
Issuer:	The Company
Underwriter:	Innovax Securities Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. The Underwriter confirmed that it has complied with Rule 10.24A(1) of the GEM Listing Rules.

LETTER FROM THE BOARD

Number of Rights Shares underwritten by the Underwriter:	The number of Rights Shares underwritten by the Underwriter shall be equivalent to the difference between (i) the total number of Rights Shares available for subscription as at the Record Date; and (ii) the total number of Rights Shares taken up by the Qualifying Shareholders whether under the PAL(s) and/or EAF(s). Excluding the Rights Shares which Topliu Limited and Mr. Huang will take up in accordance with the Irrevocable Undertakings, and assuming no Qualifying Shareholders subscribes for any Rights Shares, the maximum number of the Underwritten Shares will be 5,213,233 Rights Shares, representing approximately 14.48% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares
Underwriting Commission:	3.0% of the aggregate Subscription Price in respect of the Underwritten Shares.

The Rights Issue is underwritten by the Underwriter on a fully underwritten basis pursuant to the terms of the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter undertakes with the Company that it shall use all reasonable endeavours to provide and ensure:

- (i) each of the subscribers or sub-underwriters of the Underwritten Shares procured by it, be third parties independent of and not connected or not acting in concert with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates;
- (ii) the Underwriter will not (together with its respective parties acting in concert or any of its respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue; and
- (iii) each of the sub-underwriter(s) or each of the ultimate subscribers or purchasers procured by the Underwriter or the sub-underwriter(s) will not (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

As at the Latest Practicable Date, the Underwriter has not procured any sub-underwriters and/or subscribers for the Underwritten Shares.

LETTER FROM THE BOARD

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the historical trend of Shares' trading price, financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing underwriting commission of the market. The Directors consider that the terms of the Underwriting Agreement including the commission rate, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Underwriting Agreement.

Subject to the fulfilment (or any waiver, as the case may be, by the Underwriter) of all the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe or procure the subscription, on a fully underwritten basis, for the Underwritten Shares that are not otherwise taken up.

Conditions precedent of the Rights Issue

The Rights Issue is conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Companies Registry in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholder(s), if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the GEM Listing Committee granting and not having revoked, listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Underwriter accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Prospectus Posting Date, and such listing and permission to deal not having been withdrawn or revoked;
- (iv) the obligations of the Underwriter having become unconditional and the Underwriting Agreement not having been terminated in accordance with its terms;
- (v) the Company having complied with and performed all undertakings and obligations, and representations and warranties of the Company under the Underwriting Agreement;

LETTER FROM THE BOARD

- (vi) the Company having complied with the requirements under all applicable laws and regulations;
- (vii) each Party having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated therein;
- (viii) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused; and
- (ix) the Underwriter receiving from the Company all the documents as set out in the Underwriting Agreement in such form and substance reasonably satisfactory to the Underwriter as soon as practicable after the date of the Underwriting Agreement, and not later than 4:00 p.m. on the Business Day immediately before the Prospectus Posting Date.

Apart from the conditions precedent as set out in (v) and (ix) above which can be waived in whole or in part by the Underwriter unilaterally (but not by the Company) by notice in writing to the Company prior to the Latest Time for Termination, all other conditions precedent are incapable of being waived. The Parties shall use all reasonable endeavours to procure the fulfilment of all the conditions precedent by the Latest Time for Termination or such other date as the Parties may agree in writing and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares (in their nil-paid or fully-paid forms) and to give effect to the Rights Issue and the arrangements contemplated in the Underwriting Agreement.

If any of the conditions precedent (save and except those having been waived in accordance with the above paragraph) are not satisfied in whole by the Latest Time for Termination or such other date as the Parties may agree in writing, the Underwriting Agreement shall terminate (save and except certain clauses which shall remain in full force and effect) and no Party shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, none of the conditions precedent has been satisfied or fulfilled. Further, conditions precedent as set out in (v) and (ix) above have not been waived by the Underwriter as at the Latest Practicable Date.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming all Rights Shares are subscribed by the Qualifying Shareholders and the entitled Rights Shares of the Excluded Shareholder are taken up by other public Shareholders by way excess application; (iii) immediately after completion of the Rights Issue, assuming no Qualifying Shareholder (other than Topliu Limited and Mr. Huang pursuant to the Irrevocable Undertakings) takes up any of the Rights Shares and the Underwriter and/or subscriber(s) procured by it takes up all Underwritten Shares pursuant to the Underwriting Agreement such that the Underwriter will not become a substantial Shareholder; and (iv) immediately after completion of the Rights Issue, assuming no Qualifying Shareholder (other than Topliu Limited and Mr. Huang pursuant to the Irrevocable Undertakings) takes up any of the Rights Shares and the Underwriter takes up all Underwritten Shares and becomes a substantial Shareholder:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue					
			Assuming all Rights Shares are subscribed by the Qualifying Shareholders and the entitled Rights Shares of the Excluded Shareholder are taken up by other public Shareholders by way excess application		Assuming no Qualifying Shareholder (other than Topliu Limited and Mr. Huang pursuant to the Irrevocable Undertakings) takes up any of the Rights Shares and the Underwriter and/or subscriber(s) procured by it takes up all Underwritten Shares such that the Underwriter will not become a substantial Shareholder		Assuming no Qualifying Shareholder (other than Topliu Limited and Mr. Huang pursuant to the Irrevocable Undertakings) takes up any of the Rights Shares and the Underwriter takes up all Underwritten Shares and becomes a substantial Shareholder	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Topliu Limited (Notes 1&2)	9,525,785	39.69	14,288,677	39.69	14,288,677	39.69	14,288,677	39.69
Mr. Huang (Note 2)	4,047,750	16.87	6,071,625	16.87	6,071,625	16.87	6,071,625	16.87
The Underwriter	—	—	—	—	—	—	5,213,233	14.48
Public Shareholders								
Nineyou International Limited (Note 3)	1,836,718	7.65	1,836,718	5.10	1,836,718	5.10	1,836,718	5.10
The Underwriter and/or the subscriber(s) procured by it (Note 4)	—	—	—	—	5,213,233	14.48	—	—
Other public Shareholders	<u>8,589,747</u>	<u>35.79</u>	<u>13,802,980</u>	<u>38.34</u>	<u>8,589,747</u>	<u>23.86</u>	<u>8,589,747</u>	<u>23.86</u>
Total	<u><u>24,000,000</u></u>	<u><u>100.00</u></u>	<u><u>36,000,000</u></u>	<u><u>100.00</u></u>	<u><u>36,000,000</u></u>	<u><u>100.00</u></u>	<u><u>36,000,000</u></u>	<u><u>100.00</u></u>

Notes:

- Topliu Limited is wholly owned by Mr. Liu.
- Topliu Limited and Mr. Huang are parties acting in concert, and were interested in an aggregate of 13,573,535 Shares, representing approximately 56.56% of the issued Shares as at the Latest Practicable Date. Accordingly, the allotment and issue of any Rights Shares to Topliu Limited and Mr. Huang will not give rise to an obligation on the part of Topliu Limited or Mr. Huang to make a general offer under Rule 26.1 of the Takeovers Code.

LETTER FROM THE BOARD

3. 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 8.00% 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. Since NYIL’s shareholding in the Company is below 10%, it is counted as a public shareholder. As NYIL is a company incorporated in Cayman Islands, it is regarded as an Excluded Shareholder and will not take up any of the Rights Shares. Please refer to the paragraph headed “Rights of Overseas Shareholders” for further details.
4. Pursuant to the Underwriting Agreement, the Underwriter undertakes with the Company that it shall use all reasonable endeavours to provide and ensure:
 - (i) each of the subscribers or sub-underwriters of the Underwritten Shares procured by it, be third parties independent of and not acting in concert with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates;
 - (ii) the Underwriter will not (together with its respective parties acting in concert or any of its respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue; and
 - (iii) each of the sub-underwriter(s) or each of the ultimate subscribers or purchasers procured by the Underwriter or the sub-underwriter(s) will not (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

As at the Latest Practicable Date, the Underwriter has not procured any sub-underwriters and/or subscribers for the Underwritten Shares.

5. It represents the total numbers of Shares to be held by Topliu Limited and Mr. Huang assuming subscription of all the Rights Shares undertaken to be taken up by them according to the Irrevocable Undertakings.
6. For illustration purpose only, in this scenario, the Underwriter will hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue and become a substantial Shareholder. In any event if the Underwriter holds in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue, the Rights Issue and the Underwriting Agreement will not be terminated.
7. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

INFORMATION ON THE UNDERWRITER

The Underwriter, Innovax Securities Limited, is a company incorporated in Hong Kong with limited liability. It is principally engaged in dealing in securities and its ordinary course of business includes underwriting of securities. As at the Latest Practicable Date, it is a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in (i) the development, operation, publishing and distribution of online and mobile games in Hong Kong, China and other countries and regions; and (ii) provision of software services in the PRC. It operates and publishes its self-developed or co-developed games, as well as licensed games licensed from other game developers or operators, through its own game distribution platform and other third-party distribution platforms including major online application stores (such as Apple Inc.'s App Store and Google Play installed in mobile telecommunications devices). In 2022, the Group has expanded operations in the PRC with a focus on the development and promotion of e-commerce and cybersecurity technologies.

As disclosed in the Company's annual report for the year ended 31 December 2022 (the "**2022 Annual Report**"), the Group recorded a net loss of approximately HK\$11.1 million as compared to a thin net profit of approximately HK\$0.6 million in 2021. The turnaround from profit to loss was mainly attributable to the decrease in gross profits from their licensed mobile games and increase in administrative expenses in 2022.

To achieve (i) sustainable growth of the Group's business; and (ii) reduction of its reliance on mobile game market in Hong Kong and Taiwan, the Group has been working to broaden its revenue sources through business expansion into the PRC. As disclosed in the 2022 Annual Report, the Group has established headquarter in Linping District, Hangzhou City, Zhejiang Province. The Group has also successfully expanded its business into the PRC market in 2022 by offering technical assistance to e-commerce clients, handling payment collection, and assisting them in boost their sales on Douyin and Kuaishou platforms. The Group also provided software solutions to cybersecurity clients, helping them fortify their defenses against cyberattacks in 2022. During the year ended 31 December 2022, the Group generated revenue of HK\$29.7 million. However, the gross profit for this segment was low during the ramp-up period.

As stated in the 2022 Annual Report, the Group will continue to conduct in-depth research on how to expand market share in the PRC. Meanwhile, the Group has applied for the establishment of a research and development center recognised by the Hangzhou Government's Technology Department at its headquarters in Hangzhou, and plans to purchase the corresponding hardware and software to cope with the rapid technological development of the game industry. To increase the market share in the mobile game industry, the Group also plans to expand its business through organic growth and strategic partnership. The Group intends to selectively invest in or enter into strategic partnerships with complementary game developers, specialised technique providers, other game operators and distributors in order to broaden the scope, spectrum and the reach of the Group's games, particularly mobile games. In view of the aforementioned business expansion plans and the unsatisfactory financial performance over the years, the Directors consider that it is commercially reasonable and justifiable to obtain external financing to support its working capital and to develop and expand its business with a view to achieving continuous improvement of the Group's financial performance.

LETTER FROM THE BOARD

Besides the Rights Issue, the Directors have considered other fund-raising methods available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares or open offer. In respect of debt financing, the Directors are of the view that the Group does not have material fixed assets which are satisfactory to the banks to be served as collaterals. Therefore, debt financing may not be achievable on favourable terms in a timely manner or may require pledge of other kind of assets or securities which may reduce the Group's flexibility. The Board also notes that bank borrowings, even if available, would result in substantial interest burden, higher gearing ratio and greater liquidity pressure of the Company. In respect of equity financing, the Directors are of the view that placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. The Directors considered that rights issue would be more attractive and flexible to the Shareholders than open offer because the Shareholders would have a choice to sell their entitled Nil-paid Rights when they do not wish to participate in the Rights Issue.

Given the above, the Directors are of the view that the Rights Issue will allow the Group to strengthen its capital structure to support its business operation and development, without incurring additional debt financing cost. Furthermore, the Rights Issue will allow the Qualifying Shareholders the equal opportunity to subscribe for their respective *pro rata* provisional entitlement of the Rights Shares and hence avoiding dilution in their shareholding interests in the Company. All the Qualifying Shareholders will have a chance to further increase their interests in the Company through excess applications. Therefore, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The expenses in relation to the Rights Issue (excluding the underwriting commission which is subject to the final number of Shares subscribed by the Underwriter or subscribers procured by it) are estimated to be approximately HK\$1.0 million.

The net proceeds from the Rights Issue are estimated to be approximately HK\$12.2 million. The Company intends to apply such net proceeds for the following purposes:

- (i) Approximately HK\$6.1 million, representing 50.0% of the net proceeds, will be used for the development and operation for the cybersecurity business including but limited to leasing of computer hardware (such as server) and computing power;
- (ii) Approximately HK\$3.7 million, representing 30.0% of the net proceeds, will be used for general working capital of the Group;
 - (a) approximately HK\$2.0 million, representing 16.0% of the net proceeds, will be used for settlement of legal and professional fees;
 - (b) approximately HK\$1.3 million, representing 11.0% of the net proceeds, will be used for miscellaneous expenses; and
 - (c) approximately HK\$0.4 million, representing 3.0% of the net proceeds, will be used for independent non-executive Directors' remuneration; and

LETTER FROM THE BOARD

- (iii) Approximately HK\$2.4 million, representing 20.0% of the net proceeds, will be used for the expansion of manpower to support the business development of the Group.

The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares are expected to be approximately HK\$1.02.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately before the Latest Practicable Date.

RISK FACTORS

The Directors believe that there are certain risks involved in the operations of the Group, which includes but are not limited to, the following:

- (i) the mobile game industry is highly competitive;
- (ii) the game industry is subject to rapid technological changes which may render the Group's games obsolete or unattractive to the Group's users;
- (iii) the Group may not be able to extend licenses for its existing licensed games or introduce new licensed games, which will materially and adversely affect its revenue;
- (iv) the Group relies on key personnel and its business may be severely disrupted if it loses the services of its key executives and employees;
- (v) the strong competition in the PRC e-commerce market which leads to low gross profit; and
- (vi) the development of cyberattacks will require the Group to keep upgrading its software and technical skills.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to the Shareholders' approval under the GEM Listing Rules.

LETTER FROM THE BOARD

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed “Conditions precedent of the Rights Issue” and “Termination of the Underwriting Agreement” in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Nil-paid Rights. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

1. FINANCIAL STATEMENTS OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2020, 2021 and 2022 respectively and the nine months ended 30 September 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gameone.com.hk).

- annual report of the Company for the year ended 2020:
<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0331/2021033101176.pdf>
- annual report of the Company for the year ended 2021:
<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0331/2022033101150.pdf>
- annual report of the Company for the year ended 2022:
<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0328/2023032800635.pdf>
- quarterly report of the Company for the nine months ended 30 September 2023:
<https://www1.hkexnews.hk/listedco/listconews/gem/2023/1114/2023111400427.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2023, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

Borrowings:

As at 30 November 2023, the Group did not have any material borrowings.

Contingent liabilities:

As at 30 November 2023, the Group did not have any material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 30 November, 2023, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, so far as was known to the Directors, there are no material adverse change in the financial or trading position of the Group as at 31 December 2022, the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a software service provider focusing on the market in 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 in Hong Kong China and other countries and regions. The Group operates and publishes 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. 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 or vouchers. The Group considers such integration of upstream and downstream services in the value chain of the game industry has provided the Group with a better market position.

As disclosed in third quarterly report of the Company for the nine months ended 30 September 2023, the Group recorded a revenue of approximately HK\$97.1 million for the nine months ended 30 September 2023, representing a significant increase of approximately 42.6% from approximately HK\$68.1 million for the corresponding period in 2022. Such increase was primarily attributable to increase in revenue generated from cybersecurity services as the Group allocated more resources to the segment to capture market opportunities and demand in the PRC. The Group recorded a net 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 due to (i) the decrease in the Group's game operation income from the licensed mobile games; and (ii) the increase in administrative expenses resulting from increase in staff cost and rental expenses during the nine months ended 30 September 2023.

As disclosed in the annual report of the Company for the year ended 31 December 2022 (the "**2022 Annual Report**"), the Group recorded a revenue of 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 year in 2021, which primarily attributable to the increase in revenue from cybersecurity business. The Group recorded a net loss of approximately HK\$11.1 million for the year ended 31 December 2022 as compared to a

net profit of approximately HK\$0.6 million for the corresponding year in 2021, which primarily due to (i) decrease in gross profit from licensed mobile games such as “Teddy Boy M (古惑仔M)” and “ACE SOCCER (球場風雲)” and (ii) the increase in administrative expenses.

To achieve (i) sustainable growth of the Group’s business; and (ii) reduction of its reliance on mobile game market in Hong Kong and Taiwan, the Group has been working to broaden its revenue sources through business expansion into the PRC. As disclosed in the 2022 Annual Report, the Group has established headquarter in Linping District, Hangzhou City, Zhejiang Province. The Group has also successfully expanded its business into the PRC market in 2022 by offering technical assistance to e-commerce clients, handling payment collection, and assisting them in boost their sales on Douyin and Kuaishou platforms. The Group also provided software solutions to cybersecurity clients, helping them fortify their defenses against cyberattacks in 2022.

As stated in the 2022 Annual Report, the Group will continue to conduct in-depth research on how to expand market share in the PRC. Meanwhile, the Group has applied for the establishment of a research and development center recognised by the Hangzhou Government’s Technology department at its headquarters in Hangzhou, and plans to purchase the corresponding hardware and software to cope with the rapid technological development of the game industry. To increase the Group market share in the mobile game industry, the Group also plans to expand its business through organic growth and strategic partnership. The Group intends to selectively invest in or enter into strategic partnerships with complementary game developers, specialised technique providers, other game operators and distributors in order to broaden the scope, spectrum and the reach of the Group’s games, particularly mobile games.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group immediately after completion of the Share Consolidation and Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial position at the relevant time.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared by the Directors (the “**Unaudited Pro Forma Financial Information**”) in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules is set out to illustrate the effect of the Rights Issue on the Group's unaudited consolidated net tangible assets attributable to the owner of the Company as if the Rights Issue had been completed on 30 June 2023.

The Unaudited Pro Forma Financial Information has been prepared based on the judgments, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group as at 30 June 2023 or any further dates following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2023, as extracted from the Group's condensed consolidated financial statements for the six months ended 30 June 2023 set out in the published interim report of the Company, on which no audit or review report has been published, with adjustments described below.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company before completion of the Share Consolidation <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after completion of the Share Consolidation <i>HK\$'000</i> <i>(Note 4)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after completion of the Share Consolidation and Rights Issue <i>HK\$'000</i> <i>(Note 5)</i>	
Based on the issue of 12,000,000 Rights Shares	<u>20,458</u>	<u>12,200</u>	<u>32,658</u>	<u>0.09</u>	<u>0.85</u>	<u>0.91</u>

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023 of approximately HK\$20,458,000 is extracted from the published interim report of the Company for the six months ended 30 June 2023, on which no audit or review report has been published.
2. The estimated net proceeds from the Rights Issue of approximately HK\$12,200,000 is calculated based on 12,000,000 Rights Shares to be issued (in the proportion of one (1) Rights Share for every two (2) existing shares held by the Shareholders on the Record date) at the subscription price of HK\$1.1 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,000,000, assuming that the Rights Issue had been completed on 30 June 2023.
3. The unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company before completion of the Share Consolidation as at 30 June 2023 is approximately HK\$0.09, which is calculated based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 of approximately HK\$20,458,000 divided by 240,000,000 shares in issue as at 30 June 2023 (the “**Old Shares**”) without taking into account of consolidation of every ten (10) issued and unissued Old Shares into one Share (the “**Share Consolidation**”).
4. The unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after completion of the Share Consolidation is approximately HK\$0.85, which is calculated based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 of approximately HK\$20,458,000 divided by 24,000,000 Shares (equivalent to 240,000,000 Old Shares immediately before completion of the Rights Issue, as if the Share Consolidation had been completed on 30 June 2023).
5. The unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after completion of the Share Consolidation and Rights Issue is approximately HK\$0.91, which is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately HK\$32,658,000 divided by 36,000,000 Shares, which represents 24,000,000 Shares (equivalent to 240,000,000 Old Shares immediately after the Share Consolidation having become effective) in issue as at 30 June 2023 and 12,000,000 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of one (1) Rights Share for every two (2) Shares held as at the Rights Issue record date), assuming that the Rights Issue had been completed on 30 June 2023.
6. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2023.

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants, Kenswick CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this Prospectus.



KENSWICK CPA LIMITED
華普(香港)會計師事務所有限公司
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香港夏愨道18號海富中心第一座六字樓603A室
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the directors of Gameone Holdings Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Gameone Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2023 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of the prospectus dated 2 January 2024 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of up to 12,000,000 rights shares at HK\$1.1 per rights share (the “**Rights Shares**”) on the basis of one Rights Share for every two existing shares of the Company held on the rights issue record date (the “**Rights Issue**”) on the Group's unaudited consolidated net tangible assets attributable to owners of the Company as at 30 June 2023 as if the Rights Issues had taken place at 30 June 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 30 June 2023 set out in the published interim report of the Company, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing**”

Rules”) and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circular (“**AG**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Professional Ethics and Quality Management

We have complied with the ethical requirements of the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”) and the independence requirements in Part 4A, Chapter A of the Code 9,10.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 June 2023 would have been as presented.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

Kenswick CPA Limited
Certified Public Accountants
Fung Tze Wa
Practicing Certificate Number P01138

Hong Kong, 2 January 2024

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming no further issue or repurchase of Shares from the Latest Practicable Date up to completion of the Rights Issue) are set out as follows:

i. As at the Latest Practicable Date:

<i>Authorised:</i>	<i>HK\$</i>
<u>100,000,000</u> Shares of HK\$0.1 each	<u>10,000,000</u>
<i>Issued and fully paid up:</i>	
<u>24,000,000</u> Shares of HK\$0.1 each	<u>2,400,000</u>

ii. Immediately after completion of the Rights Issue:

<i>Authorised:</i>	<i>HK\$</i>
<u>100,000,000</u> Shares of HK\$0.1 each	<u>10,000,000</u>
<i>Issued and fully paid up:</i>	
<u>36,000,000</u> Shares of HK\$0.1 each	<u>3,600,000</u>

All of the Rights Shares to be issued will rank *pari passu* in all respects with each other. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

As at the Latest Practicable Date, the Company did not have any outstanding derivatives, options, warrants and convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

a. Interest of Directors in Shares and underlying Shares

As at the Latest Practicable Date, 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 (the “SFO”)) which were required 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, were as follows:

Long position in Shares and underlying Shares

Name of Director/chief executive	Capacity/Nature of interest	Total number of Shares	Approximate percentage of shareholding
Mr. Liu (<i>Chairman and Chief Executive Officer</i>) (<i>Note</i>)	Interest of controlled corporation	9,525,785	39.69%
Mr. Huang	Beneficial owner	4,047,750	16.87%

Note: Topliu Limited is wholly owned by Mr. Liu. As at the Latest Practicable Date, Topliu Limited holds 9,525,785 Shares, representing approximately 39.69% of the total issued Shares. 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 the Latest Practicable Date, 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.

b. Substantial Shareholders interests in Shares and underlying Shares

So far as is known to the Directors or chief executives of the Company, as at the Latest Practicable Date, the following persons (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 of the Company

Name of Shareholders	Nature of interest	Number of Shares or securities held	Approximate percentage of interest in Company
Topliu Limited	Beneficial owner	9,525,785	39.69%
Ms. Sun Li (<i>Note 1</i>)	Interest of spouse	4,047,750	16.87%
Nineyou International Limited (<i>Note 2</i>)	Beneficial owner	1,836,718	7.65%
Million Treasure Limited (<i>Note 2</i>)	Interest of controlled corporation	1,836,718	7.65%
Heartland Investment Limited (<i>Note 2</i>)	Interest of controlled corporation	1,836,718	7.65%

Notes:

- (1) Ms. Sun Li is the spouse of Mr. Huang. By virtue of the SFO, Ms. Sun Li is deemed to be interested in the Shares in which Mr. Huang 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.

Save as disclosed above, as at the Latest Practicable Date, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section “Interest of Directors in Shares and underlying Shares” 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.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

5. DIRECTOR’S SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Company or any member of the Group within one year without payment of compensation (other than statutory compensation)).

6. DIRECTORS’ INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date:

- (i) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group.

7. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or Controlling Shareholders or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) of the Group have been entered into by the members of the Group during the period commencing two years preceding the date of this Prospectus and are or may be material:

- (i) the underwriting agreement dated 10 June 2022 entered into between the Company and Innovax Securities Limited in relation to a rights issue of the Company;
- (ii) the irrevocable undertakings dated 10 June 2022 executed by Topliu Limited in favour of the Company and Innovax Securities Limited;
- (iii) the irrevocable undertakings dated 10 June 2022 executed by Mr. Huang in favour of the Company and Innovax Securities Limited;
- (iv) the Irrevocable Undertakings; and
- (v) Underwriting Agreement.

9. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinions or advice which are contained in this Prospectus:

Name	Qualifications
Kenswick CPA Limited	Certified Public Accountants

The above expert has given and confirmed that it has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which have been since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THIS RIGHTS ISSUE

Registered Office	PO Box 309, Uglan House Grand Cayman, KY1-1104 Cayman Islands
Principal place of business in the PRC	No. 552 Xuehai Road Nanyuan Linping District Hangzhou City Zhejiang Province The People's Republic of China
Principal place of business in Hong Kong	Office Unit No. 07 5/F, Workingberg Commercial Building Nos. 41–47 Marble Road Hong Kong
Company secretary	Ms. Ng Hoi Ying
Compliance officer	Mr. Liu Yi
Authorised representatives	Mr. Liu Yi Ms. Ng Hoi Ying
Cayman Islands principal share registrar and transfer agent	Maples Fund Services (Cayman) Limited P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banks	Hang Seng Bank The Hongkong and Shanghai Banking Corporation Limited The Shanghai Commercial & Saving Bank, Ltd. China Everbright Bank
Auditors	Kenwsick CPA Limited Certified Public Accountants Unit 603A, 6/F., Tower 1 Admiralty Centre, 18 Harcourt Road Hong Kong

Legal advisor to the Company in relation to the Rights Issue	<i>As to Hong Kong Law</i> DeHeng Law Offices (Hong Kong) LLP 28/F, Henley Building 5 Queen's Road Central Central, Hong Kong
Financial adviser to the Company	Innovax Capital Limited Unit B, 13/F, Neich Tower 128 Gloucester Road Wanchai, Hong Kong
Underwriter	Innovax Securities Limited Unit A–C, 20/F, Neich Tower 128 Gloucester Road Wanchai, Hong Kong

11. EXPENSES

The expenses in relation to the Rights Issue (excluding the underwriting commission but including the financial advisory fee, printing, translation, registration, legal, accounting, levy, and documentation charges) payable by the Company are estimated to be approximately HK\$1.0 million, subject to the final subscription.

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Liu Yi (“**Mr. Liu**”), aged 39, was appointed as an executive Director on 16 December 2021, and appointed as the chairman of the Board and the chief executive officer on 7 January 2022. Mr. Liu is primarily responsible for the Group’s overall strategic planning and overseeing the general management of the Group. Mr. Liu is also directors of certain subsidiaries of the Group.

Mr. Liu obtained his master degree in advanced computer science from the University of Cambridge in July 2012. Since 2018, Mr. Liu has been the chief science officer of Hangzhou Zifu Interactive Network Technology Co., Ltd., a company principally engaged in the business of research and development of information technology and information integration system (“**Hangzhou Zifu**”), and he is also the executive director and general manager of Hangzhou Zifu. Moreover, Mr. Liu is the executive director and general manager of Yawang Zhiye (Hangzhou) Co., Ltd.* (樞網置業(杭州)有限公司), a private company engaged in property management and development of commercial and office buildings in Hangzhou, the PRC. Since February 2021, Mr. Liu has been a non-independent director of Anhui Wantong Technology Co., Ltd.* (安徽皖通科技股份有限公司), a company listed on the Shenzhen Stock Exchange with a stock code of 002331.SZ. In August 2020, Mr. Liu was accredited as a Class B High-Level Talent

under the Measure of Yuhang District of Hangzhou on the Classification and Identification of High-Level Talents* (杭州市余杭區高層次人才分類認定辦法). Currently, Mr. Liu serves as a standing member of the Chinese People's Political Consultative Conference of Hangzhou Linping District and vice chairman of Hangzhou Linping District Federation of Overseas Chinese* (杭州市臨平區歸國華僑聯合會).

Mr. Huang Jianying (“**Mr. Huang**”), aged 54, was appointed as an executive Director on 16 December 2021. Mr. Huang is primarily responsible for overseeing the general management of the Group. Mr. Huang is also directors of certain subsidiaries of the Group.

Mr. Huang obtained his master degree in business administration from Zhejiang University (浙江大學) in June 2006. He has extensive experience in the management and garment industry. Since 2002, Mr. Huang is the chairman and general manager of a private garment company in the People's Republic of China.

Independent Non-Executive Directors

Ms. Ngo Mei Kwan (“**Ms. Ngo**”), aged 44, was appointed as an independent non-executive Director on 7 January 2022. She is responsible for supervising and providing independent judgment to the Board.

Ms. Ngo obtained a diploma in accounting management from Douglas College in June 2008. Ms. Ngo worked in Qianhai Health Holdings Limited (stock code: 911) as a project manager since September 2016 and was promoted as a director responsible for human resources and administration in September 2019.

Mr. Jin Baiting (“**Mr. Jin**”) (formerly named: Jin Jing (金京)), aged 40, was appointed as an independent non-executive Director on 7 January 2022. He is responsible for supervising and providing independent judgment to the Board.

Mr. Jin obtained a master degree in laws from Zhejiang University in December 2018 and a bachelor degree in laws from Hangzhou Normal College (now known as Hangzhou Normal University) in July 2006. Mr. Jin has been a senior partner of Beijing Deheng (Hangzhou) Law Firm* (北京德恒(杭州)律師事務所) since December 2019. He worked in Zhejiang Nanfang Chunchen Law Firm as a solicitor from April 2013 to November 2019. Mr. Jin obtained his legal license of the People's Republic of China in June 2010. He is currently the deputy director of the Eighth Criminal Liability Risk Prevention (Non-litigation) Professional Committee of the Hangzhou Lawyers Association* (杭州市律師協會第八屆刑事責任風險防範(非訴訟)專業委員會); a specially invited supervisor of administrative law enforcement* (特邀行政執法監督員) in Hangzhou, and a member of the Administrative Reconsideration Committee* (行政復議委員會) of Xiaoshan District in Hangzhou; a member of the Grassroots Committee of Zhi Gong Party* (致公黨杭州市西湖區基層委) of Xihu District in Hangzhou.

Mr. Lu Yi (“**Mr. Lu**”), aged 47, was appointed as an independent non-executive Director on 7 January 2022. He is responsible for supervising and providing independent judgment to the Board.

Mr. Lu obtained a bachelor degree in economics from Fudan University in July 1997. He has been the managing director of the corporate finance department of Sinolink Securities (HK) Company Limited (“**Sinolink**”) since May 2017. He has been a responsible officer of Sinolink for Type 6 regulated activities (advising on corporate finance) under the SFO since May 2017. He worked in China Everbright Capital Limited with his last position held as an executive director of the corporate finance department from January 2008 to April 2017. He worked in BM Intelligence Consulting Limited as a senior manager from October 2001 to December 2007. He worked in Deloitte Touche Tohmatsu CPA Ltd. with his last position held as a senior auditor from September 1997 to September 2001. Mr. Lu is currently a member of CPA Australia since March 2021.

Company Secretary

Ms. Ng Hoi Ying (“**Ms. Ng**”), aged 37, was appointed as the company secretary and authorized representative of the Group on 23 March 2019. Ms. Ng obtained a Bachelor of Business Administration (Honours) in Accountancy from The Hong Kong Polytechnic University. She has been a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Ng has over 14 years of experience in auditing, accounting and financial reporting. She worked as senior auditor of Deloitte Touche Tohmatsu from September 2008 to November 2011. From November 2011 to October 2014, Ms. Ng worked as a senior accountant in Asia Maritime Pacific (Hong Kong) Limited, a privately owned shipping company. From October 2014 to October 2018, Ms. Ng worked as finance manager of Ngai Shun Construction & Drilling Company Limited, a subsidiary of Boill Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited) (stock code: 1246), a company listed on the Main Board of the Stock Exchange. She is currently a company secretarial manager at Blooming (HK) Business Limited, a company primarily engaged in corporate advisory and company secretarial services. Ms. Ng is currently the company secretary of seven companies listed on the Stock Exchange.

Business address of the Directors of the Company

The business address of the Directors of the Company is the same as the principal place of business in Hong Kong of the Company located at Office Unit No. 07, 5/F, Workingberg Commercial Building, Nos. 41–47 Marble Road Hong Kong.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the Audit Committee comprised all of the independent non-executive Directors, namely Mr. Lu Yi (the chairman of the Audit Committee), Ms. Ngo Mei Kwan and Mr. Jin Baiting. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. Particulars of the Directors and Senior Management” in this Appendix. The primary role and function of

the Audit Committee are to oversee the relationship with the external auditors, to review the Group's preliminary quarterly results, interim results and annual results and to monitor compliance with statutory and listing requirements.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed "9. Expert and Consent" in this Appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

16. DOCUMENTS ON DISPLAY

The following documents will be made available for display on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.gameone.com.hk>) during the period of 14 days from the date of this Prospectus:

- (i) the letter issued by Kenswick CPA Limited regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (ii) the written consent as referred to in the paragraph headed "9. Expert and Consent" in this Appendix; and
- (iii) the material contracts referred to in the paragraph headed "8. Material Contracts" in this Appendix.

17. MISCELLANEOUS

In the case of any discrepancies, the English version of the Prospectus Documents shall prevail over their respective Chinese version.

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

As at the Latest Practicable Date, the Group had no significant exposure to foreign exchange liabilities.