



Gameone Holdings Limited

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8282

2024

Interim Report



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

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

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

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## BOARD OF DIRECTORS

### Executive Directors

Mr. Liu Yi

Mr. Huang Jianying

### Independent Non-executive Directors

Ms. Ngo Mei Kwan

Mr. Jin Baiting

Mr. Lu Yi

## BOARD COMMITTEES

### Audit Committee

Mr. Lu Yi (*Chairman*)

Ms. Ngo Mei Kwan

Mr. Jin Baiting

### Remuneration Committee

Ms. Ngo Mei Kwan (*Chairman*)

Mr. Jin Baiting

Mr. Lu Yi

### Nomination Committee

Mr. Liu Yi (*Chairman*)

Ms. Ngo Mei Kwan

Mr. Jin Baiting

Mr. Lu Yi

## AUDITORS

Kenswick CPA Limited

Certified Public Accountants

Unit 603A, 6/F., Tower 1

Admiralty Centre, 18 Harcourt Road

Hong Kong

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## COMPANY SECRETARY

Ms. Ng Hoi Ying

## AUTHORISED REPRESENTATIVES

Mr. Liu Yi

Ms. Ng Hoi Ying

## COMPLIANCE OFFICER

Mr. Liu Yi

## REGISTERED OFFICE

Maples Corporate Services Limited

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

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

Room 907, Tai Yau Building

181 Johnston Road, Wanchai

Hong Kong

# CORPORATE INFORMATION

## LEGAL ADVISORS AS TO HONG KONG LAWS

Deheng Law Offices (Hong Kong) LLP  
28/F, Henley Building, 5 Queen's Road Central  
Central  
Hong Kong

## 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

## PRINCIPAL BANKS

Hang Seng Bank  
The Hongkong and Shanghai Banking Corporation  
Limited  
The Shanghai Commercial & Saving Bank, Ltd.

## GEM STOCK CODE

8282

## COMPANY WEBSITE

[www.gameone.com.hk](http://www.gameone.com.hk)

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

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Revenue</b>	5	20,046	77,359
Cost of services rendered		(12,499)	(61,765)
<b>Gross profit</b>		7,547	15,594
Other income	5	175	1,223
Selling expenses		(1,445)	(7,291)
Administrative expenses		(6,135)	(19,362)
<b>Operating profit (loss)</b>		142	(9,836)
Finance cost		–	(25)
<b>Profit (loss) before income tax</b>	6	142	(9,861)
Income tax expense	7	–	–
<b>Profit (loss) for the period</b>		142	(9,861)
<b>Other comprehensive income (expense)</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of financial statements of foreign operations		846	(394)
<b>Other comprehensive income (expense) for the period</b>		846	(394)
<b>Total comprehensive income (expense) for the period</b>		988	(10,255)
<b>Profit (loss) for the period attributable to:</b>			
— Owners of the Company		342	(9,861)
— Non-controlling interests		(200)	–
		142	(9,861)
<b>Total comprehensive income (expense) for the period attributable to:</b>			
— Owners of the Company		1,188	(10,255)
— Non-controlling interests		(200)	–
		988	(10,255)
			(Restated)
<b>Profit (loss) per share</b>			
— Basic and diluted (expressed in HK cents per share)	9	0.41	(40.75)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	881	684
Intangible assets	11	7,463	9,057
Right-of-use-assets		828	1,120
		<b>9,172</b>	10,861
<b>Current assets</b>			
Trade receivables	12	662	1,472
Prepayments, deposits and other receivables		12,326	7,688
Cash at banks and on hand		4,002	4,744
		<b>16,990</b>	13,904
<b>Current liabilities</b>			
Trade payables	13	6	438
Accrued expenses and other payables		904	3,447
Contract liabilities		–	6,499
Amounts due to directors		–	2,800
Tax payable		51	77
		<b>961</b>	13,261
<b>Net current assets</b>		<b>16,029</b>	643
<b>Total assets less current liabilities</b>		<b>25,201</b>	11,504
<b>Net assets</b>		<b>25,201</b>	11,504
<b>EQUITY</b>			
Share capital	14	3,600	2,400
Reserves		21,802	9,540
Equity attributable to owners of the Company		<b>25,402</b>	11,940
Non-controlling interests		(636)	(436)
<b>Total equity</b>		<b>24,766</b>	11,504

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company						Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium* HK\$'000	Other reserve* HK\$'000	Translation reserve* HK\$'000	Accumulated losses* HK\$'000	Subtotal HK\$'000		
At 1 January 2024	2,400	61,680	71,458	(1,156)	(122,442)	11,940	(436)	11,504
Profit (loss) for the period	-	-	-	-	342	342	(200)	142
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	846	-	846	-	846
Other comprehensive income for the period	-	-	-	846	-	846	-	846
Total comprehensive Income for the period	-	-	-	846	342	1,188	(200)	988
Issue of shares under 2024 Rights Issue (as defined below)	1,200	12,000	-	-	-	13,200	-	13,200
Issue of shares expenses	-	(926)	-	-	-	(926)	-	(926)
At 30 June 2024 (unaudited)	3,600	72,754	71,458	(310)	(122,100)	25,402	(636)	24,766
At 1 January 2023	2,400	61,680	71,458	(1,000)	(89,959)	44,579	-	44,579
Loss for the period	-	-	-	-	(9,861)	(9,861)	-	(9,861)
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	(394)	-	(394)	-	(394)
Other comprehensive expense for the period	-	-	-	(394)	-	(394)	-	(394)
Total comprehensive expense for the period	-	-	-	(394)	(9,861)	(10,255)	-	(10,255)
At 30 June 2023 (unaudited)	2,400	61,680	71,458	(1,394)	(99,820)	34,324	-	34,324

\* The total of these balances represents "Reserves" in the unaudited condensed consolidated statement of financial position.



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(6,744)	(5,523)
Net cash used in investing activities	(6,214)	(3,336)
Net cash generated from (used in) financing activities	12,273	(664)
Net decrease in cash and cash equivalents	(685)	(9,523)
Effects of exchange rate changes on cash and cash equivalents	(57)	111
Cash and cash equivalents at beginning of period	4,744	27,306
Cash and cash equivalents at end of period	4,002	17,894

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. CORPORATE INFORMATION

Gameone Holdings Limited was incorporated in Cayman Islands with limited liability under the Companies Law of Cayman Islands on 14 April 2010. The Company's registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands. The Company's principal place of business in the Peoples' Republic of China (the "PRC") and Hong Kong are located at No. 552 Xuehai Road, Nanyuan, Linping District, Hangzhou, Zhejiang Province, PRC and Room 907, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong, respectively.

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

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are to provide software services, internet security technical services and big data related analysis services to the customers in the PRC and engage in development, operation, publishing and distribution of online and mobile games in Hong Kong and other countries and regions.

In the opinion of the directors, the Company's parent and ultimate holding company is Topliu Limited, a company incorporated in the British Virgin Islands.

## 2. BASIS OF PREPARATION AND PRESENTATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure required by the GEM Listing Rules and by the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 are consistent with those adopted in the Group's audited annual report dated 28 March 2024 (the "2023 Annual Report"), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "New and Revised HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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

The preparation of these unaudited condensed consolidated interim financial statements requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2023 Annual Report.

These unaudited condensed consolidated interim financial statements are presented in Hong Kong Dollars ("HK\$"), unless otherwise stated. These unaudited condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 Annual Report. These unaudited condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRSs and should be read in conjunction with the 2023 Annual Report.

The unaudited condensed consolidated interim financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

## 3. CHANGES IN HKFRSs

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

In the current period, the Group has applied, for the first time, the following new and amendments and interpretation to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive Directors in order to allocate resources and assess performance of the segment. For the six months ended 30 June 2024, the executive Directors regularly review revenue and operating results, and divided into two reportable operating segments.

The Group identifies two segments as follows:

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

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

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Segment revenue:</b>		
Software Service Business	11,097	54,467
Game Business	8,949	22,892
Total	20,046	77,359
<b>Segments results — operating profit (loss):</b>		
Software Service Business	764	(1,183)
Game Business	(622)	(8,653)
Total	142	(9,836)

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 4. SEGMENT INFORMATION *(Continued)*

### Geographical information

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

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>By country/region</b>		
PRC	11,097	54,467
Hong Kong and Others	8,949	22,892
	<b>20,046</b>	<b>77,359</b>

### Information about major customers

For the six months ended 30 June 2024, one customers (2023: two) individually contributed more than 10% of the Group's total revenue, and the revenue contributed by each of these customers for the six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June 2024 (Unaudited) HK\$'000	Six months ended 30 June 2023 (Unaudited) HK\$'000
	Customer A	–
Customer B	–	11,672
Customer C	5,086	5,321

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 5. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income are as follows:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Revenue from contracts with customers</b>		
<b>within the scope of HKFRS 15:</b>		
Software service income	11,097	54,467
Game service income	8,949	22,892
	<b>20,046</b>	77,359
<b>Other income</b>		
Government grants	57	754
Interest income	14	240
Other income	104	229
	<b>175</b>	1,223
	<b>20,221</b>	78,582

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 6. PROFIT (LOSS) BEFORE INCOME TAX

This is arrived at after charging the followings:

	Six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Amortisation of intangible assets	905	4,344
Royalty expenses	3,154	4,701
Depreciation of property, plant and equipment		
— Under cost of services rendered	40	143
— Under administrative expenses	39	43
	79	186
Depreciation of right of use assets	292	641
Finance cost	—	25
Staff costs excluding directors' remuneration:		
— Salaries and allowances	648	6,498
— Contributions on defined contribution retirement plan	205	275
	853	6,773

## 7. INCOME TAX EXPENSE

No provision for PRC Enterprise Income Tax was made as the Group's PRC companies have not generated any tax assessable profits in the PRC for respective periods (2023: Nil).

No Taiwan Enterprise Income Tax for the Taiwan branch has been provided as the Taiwan branch has not generated any tax assessable profits in Taiwan for respective periods (2023: Nil).

No provision for Hong Kong Profits Tax was made as the Group has not generated any tax assessable profits in Hong Kong for respective periods (2023: Nil).

## 8. DIVIDENDS

No dividends have been paid or declared by the Company or any of the subsidiaries during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 9. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the profit (loss) attributable to owners of the Company and on the basis of the weighted average number of 34,699,346 ordinary shares (2023: 24,199,200 ordinary shares) in issue.

For the six months ended 30 June 2024, the number of shares used to calculate the basic earnings (loss) per share has been adjusted in accordance with the rights issue plan completed on 23 January 2024.

Diluted earnings (loss) per share is of the same amount as the basic earnings (loss) per share as there were no potential dilutive ordinary shares outstanding as at 30 June 2024 (2023: same).

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group spent approximately HK\$514,000 on acquisition of property, plant and equipment (six months ended 30 June 2023: approximately HK\$280,000).

## 11. INTANGIBLE ASSETS

During the six months ended 30 June 2024, the Group did not acquire intangible assets (six months ended 30 June 2023: approximately HK\$2,707,000) and no impairment loss on intangible assets has been provided (six months ended 30 June 2023: Nil).

## 12. TRADE RECEIVABLES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Trade receivables	662	1,472

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



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 12. TRADE RECEIVABLES (Continued)

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

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Not more than 30 days	662	1,472
30–60 days	–	–
Over 60 days	–	–
	<b>662</b>	<b>1,472</b>

## 13. TRADE PAYABLES

The Group's trade payables are mainly due to its suppliers which are aged within 30 days, based on invoice date.

## 14. SHARE CAPITAL

### Authorised share capital

As at 31 December 2023 and 30 June 2024, the authorised share capital of the Company is HK\$10,000,000 divided into 100,000,000 ordinary shares of HK\$0.1 each.

### Issued and fully paid

	Number	HK\$'000
Ordinary shares		
As at 31 December 2023	24,000,000	2,400
Issue of shares under 2024 Rights Issue	12,000,000	1,200
As at 30 June 2024	<b>36,000,000</b>	<b>3,600</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 15. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Total remuneration of directors and other members of key management during the period was as follows:		
Fees, salaries and staff welfare benefits and discretionary bonus (short-term employee benefits)	1,713	2,253
Defined contribution plans (post employment benefits)	12	15
	<b>1,725</b>	<b>2,268</b>

## 16. CAPITAL COMMITMENTS

### (a) Capital commitments

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
	Contracted but not provided for — Acquisition of intangible assets	—

### (b) Commitments for investment in an unlisted PRC subsidiary

On 28 December 2021, the Group established a wholly owned subsidiary, Zhejiang Gameone Holding Group Limited (“**Zhejiang Gameone**”) in the PRC with registered capital of RMB50,000,000 (equivalent to approximately HK\$61,350,000). According to the articles of association of Zhejiang Gameone, the aforesaid capital injection into Zhejiang Gameone should be completed on or before 27 December 2070 in accordance with the memorandum of association of Zhejiang Gameone. As at 30 June 2024, the Group has injected RMB4,295,400 (equivalent to HK\$5,000,000) capital fund to Zhejiang Gameone.

On 13 September 2022, the Group established a wholly owned subsidiary, Heilongjiang Gameone Network Technology Co. Limited (“**Heilongjiang Gameone**”) in the PRC with registered capital of US\$1,000,000 (equivalent to approximately HK\$7,849,000) and the capital contribution shall be made to Heilongjiang Gameone on or before 1 September 2032 in accordance with the memorandum of association of Heilongjiang Gameone. As at 30 June 2024, the Group has injected USD1,000,000 (equivalent to approximately HK\$7,849,000) capital fund to Heilongjiang Gameone.

On 13 October 2023, the Group acquired a subsidiary, Hangzhou Hangting Lingya Technology Co., Ltd. (“**Hangting Lingya**”) in the PRC with registered capital of RMB5,000,000 (equivalent to approximately HK\$5,435,000) and the capital contribution shall be made to Hangting Lingya on or before 31 December 2072 in accordance with the memorandum of association of Hangting Lingya. As at 30 June 2024, the Group has injected RMB3,000,000 (equivalent to approximately HK\$3,261,000) capital fund to Hangting Lingya.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

We are a software service provider focusing on the market in the PRC. We provide internet security technical service and E-commerce technical service to the customers. We are also an integrated game developer, operator and publisher focusing on the market in Hong Kong and other countries and regions. We operate and publish the Group's self/co-developed and licensed games in Hong Kong and other regions primarily through the Group's game distribution platforms as well as other third-party distribution platforms. We collect payments from players either through the Group's own game platform, third-party distribution platforms such as Apple Store and Google Play, or third-party payment vendors, which include convenience stores selling prepaid game cards or vouchers. We consider such integration of upstream and downstream services in the value chain of the game industry has provided us with a better market position.

For the six months ended 30 June 2024, the Group recorded a net profit of approximately HK\$0.1 million as compared to a net loss of approximately HK\$9.9 million for the same period in 2023. During the six months ended 30 June 2024, we allocated more resources in the business segment of E-commerce technical service as there are plentiful market opportunities and high demand in the PRC.

## FINANCIAL REVIEW

### Revenue

The Group's revenue was approximately HK\$20.0 million for the six months ended 30 June 2024, representing a decrease of approximately 74.2% from approximately HK\$77.4 million for the corresponding period in 2023, which was primarily attributable to a decrease in software service income of approximately HK\$43.4 million.

### Cost of services rendered

The Group's cost of services incurred for the six months ended 30 June 2024 was approximately HK\$12.5 million, representing a decrease of approximately 79.8% from approximately HK\$61.8 million for the corresponding period in 2023, which was primarily attributable to a decrease in software service-related costs during the six months ended 30 June 2024.

### Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 June 2024 was approximately HK\$7.5 million, representing a decrease of approximately 51.9% from approximately HK\$15.6 million for the six months ended 30 June 2023. The decrease in gross profit was primarily attributable to the decrease of about HK\$57.4 million in the Group's total revenue.

The Group's gross profit margin for the six months ended 30 June 2024 was approximately 37.5%, representing an increase of approximately 17.3 percentage points as compared to approximately 20.2% for the six months ended 30 June 2023. The higher gross profit margin was primarily attributable to the increase in gross profit margin of the software services business to approximately 38.7% from approximately 20% for the six months ended 30 June 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Selling expenses

The Group's selling expenses for the six months ended 30 June 2024 were approximately HK\$1.4 million, representing a decrease of approximately 80.8% from approximately HK\$7.3 million for the corresponding period in 2023, which was primarily attributable to a decrease in promotion and advertising expenses of software services business.

## Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2024 were approximately HK\$6.1 million, representing a decrease of approximately 68.6% from approximately HK\$19.4 million for the corresponding period in 2023, which was primarily attributable to a decrease in staff cost during the six months ended 30 June 2024.

## Profit (loss) for the period

The Group recorded a net profit for the six months ended 30 June 2024 of approximately HK\$0.1 million as compared with a net loss of approximately HK\$9.9 million for the corresponding period in 2023, which was primarily attributable to (i) an increase in the gross profit margin of the Group from approximately 20.2% in the same period last year to approximately 37.5%, of which the gross profit margin of the software services business increased from approximately 20% in the same period last year to approximately 38.7%; and (ii) a decrease in administrative expenses during the period mainly arising from a decrease in staff cost.

## CAPITAL STRUCTURE

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

On 18 December 2023, every ten issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company were consolidated into one ordinary share of HK\$0.1 each in the share capital of the Company (the "**Share Consolidation**"). Immediately following the Share Consolidation, the authorized share capital of the Company became HK\$10,000,000 divided into 100,000,000 shares of HK\$0.1 each, of which 24,000,000 consolidated Shares were in issue. For details, please refer to the announcement of the Company dated 21 November 2023 and 14 December 2023 and the circular of the Company dated 30 November 2023. As at 31 December 2023, the Company's issued share capital was HK\$2.4 million and the number of its issued ordinary shares was 24,000,000 of HK\$0.1 each.

On 24 January 2024, the number of issued share capital of the Company increased to 36,000,000 shares of the Company as a result of the completion of the rights issue (the "**2024 Rights Issue**"). For details of the 2024 Rights Issue, please refer to the prospectus of the Company dated 2 January 2024 (the "**Rights Issue Prospectus**") and the announcement of the Company dated 23 January 2024.

As at 30 June 2024, the Company's issued share capital was HK\$3.6 million and the number of its issued ordinary shares was 36,000,000 of HK\$0.1 each.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

We financed our operations primarily through cash generated from our operating activities and equity financing. During the six months ended 30 June 2024, we did not have any bank borrowings. As at 30 June 2024, we had cash and cash equivalents of approximately HK\$4.0 million (31 December 2023: approximately HK\$4.7 million), which were cash at banks and on hand. No banking facility has been arranged by our Group during the six months ended 30 June 2024.

On 24 January 2024, the Company completed the 2024 Rights Issue and obtained net proceeds of approximately HK\$12.2 million. For details, please refer to the section “Rights Issue and Use of Net Proceeds” below.

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

## RIGHTS ISSUE AND USE OF NET PROCEEDS

On 21 November 2023, the Company announced that it proposed to raise approximately HK\$13.2 million, before expenses of approximately HK\$1.0 million, by issuing 12,000,000 rights shares (the “**Rights Share(s)**”), which after fully-paid would rank pari passu with the ordinary shares of the Company, by way of rights issue at the subscription price of HK\$1.10 per Rights Share, on the basis of one Rights Share for every two existing shares of the Company held on the record date by the shareholders of the Company (the “**Shareholders**”). Completion of the 2024 Rights Issue took place on 24 January 2024, where an aggregate of 12,000,000 Rights Shares, representing approximately 33.3% of the issued share capital of the Company (as enlarged by the allotment and issue of the Rights Shares), were issued. Upon completion of the 2024 Rights Issue, the number of issued share capital of the Company increased to 36,000,000 shares of the Company. The aggregate nominal amount of the Rights Shares was HK\$1,200,000. The subscription price of the Right Share represents a premium of approximately 6.8% to the then theoretical closing price of HK\$1.03 per share as quoted on the Stock Exchange on the date of announcement of the 2024 Rights Issue on 21 November 2023. The net subscription price was approximately HK\$1.02 per Rights Share. The reasons for the 2024 Rights Issue were to raise funds for (i) the development and operation for the cybersecurity business; (ii) general working capital; and (iii) expansion of manpower to support the business development of the Group.

As disclosed in the Rights Issue Prospectus, the gross proceeds from the 2024 Rights Issue were approximately HK\$13.2 million, and the net proceeds after deducting the related expenses and underwriting commission were approximately HK\$12.2 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

From the completion of the 2024 Rights Issue to 30 June 2024, the net proceeds from the 2024 Rights Issue of the Company had been applied as follows:

	Planned use of proceeds as stated in the 2024 Rights Issue Prospectus HK\$'million	Actual use of proceeds up to 30 June 2024 HK\$'million
(1) Development and operation for the cybersecurity business including but limited to leasing of computer hardware (such as server) and computing power;	6.1	5.5
(2) General working capital of the Group		
Settlement of legal and professional fees	2.0	2.0
Miscellaneous expenses	1.3	–
Independent non-executive Directors' remuneration	0.4	0.3
(3) Expansion of manpower to support the business development of the Group	2.4	0.4
	12.2	8.2

Up to 30 June 2024, the net proceeds from the 2024 Rights Issue have been applied in the manner set out in the disclosure in the Rights Issue Prospectus.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed herein, there was no material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 June 2024.

## SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the six months ended 30 June 2024, there was no significant investment held by the Group.

## FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any concrete plan for material investments or capital assets as at 30 June 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FOREIGN EXCHANGE EXPOSURE

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

## TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. We monitor our trade receivables on an ongoing basis and only trade with creditworthy parties. We consider the credit risk on liquid funds as low because the counterparties are major banks with high credit ratings. We are subject to concentration of credit risk since majority of our trade receivables are due from a limited number of trade debtors which were primarily the third-party game distribution platforms and payment channels. To manage liquidity risk, we closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirement.

## CHARGE ON GROUP ASSETS

As at 30 June 2024, no asset of the Group was pledged as a security for bank borrowing or any other financing facilities (30 June 2023: Nil).

## CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any significant contingent liabilities (30 June 2023: Nil).

## COMMITMENTS

Our contract commitments are primarily related to the acquisition of intangible assets. As at 30 June 2024, the Group had no capital commitments to acquire intangible assets (31 December 2023: Nil).

On 28 December 2021, the Group established a wholly owned subsidiary, Zhejiang Gameone in the PRC with registered capital of RMB50,000,000 (equivalent to approximately HK\$61,350,000). According to the articles of association of Zhejiang Gameone, the aforesaid capital injection into Zhejiang Gameone should be completed on or before 27 December 2070 in accordance with the memorandum of association of Zhejiang Gameone. As at 30 June 2024, the Group has injected RMB4,295,400 (equivalent to HK\$5,000,000) capital fund to Zhejiang Gameone.

On 13 September 2022, the Group established a wholly owned subsidiary, Heilongjiang Gameone in the PRC with registered capital of US\$1,000,000 (equivalent to approximately HK\$7,849,000) and the capital contribution shall be made to Heilongjiang Gameone on or before 1 September 2032 in accordance with the memorandum of association of Heilongjiang Gameone. As at 30 June 2024, the Group has injected USD1,000,000 (equivalent to approximately HK\$7,849,000) capital fund to Heilongjiang Gameone.

On 13 October 2023, the Group acquired a subsidiary, Hangting Lingya in the PRC with registered capital of RMB5,000,000 (equivalent to approximately HK\$5,435,000) and the capital contribution shall be made to Hangting Lingya on or before 31 December 2072 in accordance with the memorandum of association of Hangting Lingya. As at 30 June 2024, the Group has injected RMB3,000,000 (equivalent to approximately HK\$3,261,000) capital fund to Hangting Lingya.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SEGMENT INFORMATION

The analysis of the principal activities of the operations of the Group is set out in note 4 to the condensed consolidated financial statements.

## INFORMATION ON EMPLOYEES

As at 30 June 2024, the Group had 30 employees (30 June 2023: 47) working in the PRC and Hong Kong China. Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. Various types of trainings were provided to the employees.

The total staff cost (including remuneration, allowances and mandatory provident funds contributions of the Directors) for the six months ended 30 June 2024 amounted to approximately HK\$2.58 million (30 June 2023: approximately HK\$9.0 million). The dedication and hard work of the Group's staff during the six months ended 30 June 2023 are generally appreciated and recognised.

## INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).



## OTHER INFORMATION

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

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

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

Name of Director/chief executive	Capacity/Nature of interest	Total number of Shares	Approximate percentage of shareholding
Mr. Liu Yi ("Mr. Liu") (Chairman and Chief Executive Officer) (Note 1)	Interest of controlled corporation	14,288,677	39.69%
Mr. Huang Jianying ("Mr. Huang")	Beneficial owner	6,071,625	16.87%

Note:

- (1) Topliu Limited is wholly owned by Mr. Liu. By virtue of the SFO, Mr. Liu is deemed to be interested in the shares of the Company in which Topliu Limited is interested.

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as is known to the Directors or chief executives of the Company, as at 30 June 2024, 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 and underlying shares of the Company

Name of shareholders	Nature of interest	Number of Shares or securities held	Approximate percentage of interest in the Company
Topliu Limited (Note 1)	Beneficial owner	14,288,677	39.89%
Ms. Sun Li (Note 2)	Interest of spouse	6,071,625	16.87%
Nineyou International Limited (Note 3)	Beneficial owner	1,836,718	5.10%
Million Treasure Limited (Note 3)	Interest in controlled corporation	1,836,718	5.10%
Heartland Investment Limited (Note 3)	Interest in controlled corporation	1,836,718	5.10%

Notes:

- (1) Topliu Limited is wholly owned by Mr. Liu.
- (2) 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 of the Company in which Mr. Huang is interested.
- (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 8.0% 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 82.35% 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 30 June 2024, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executives' interests and short positions in shares, underlying shares and debenture of the Company" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## OTHER INFORMATION

### GEARING RATIO

As at 30 June 2024, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was approximately 3.67% (31 December 2023: approximately 53.5%).

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

During the six months ended 30 June 2024, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisitions or disposals during the six months ended 30 June 2024.

### COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or any of its respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group during the six months ended 30 June 2024.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.68 of the GEM Listing Rules (the "**Required Standard Dealings**"). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings throughout the six months ended 30 June 2024. Further the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the year under review.

### CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "**Code**") as set out in Appendix C1 to the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with all applicable code provisions set out in the Code for the six months ended 30 June 2024 and up to the date of this report except for the below deviation. Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Liu was the chief executive officer (the "**Chief Executive Officer**") and the chairman of the Board (the "**Chairman**"), the Company has deviated from this Code. However, the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in Mr. Liu has the benefit of ensuring consistent and continuous planning and execution of the Company's strategies. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise decision-making process and allows for prompt response to the fast-changing business environment and a more efficient management and implementation of business process. The Board also considers that vesting the two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group.

### SUFFICIENCY OF PUBLIC FLOAT

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

### SHARE OPTION SCHEME

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

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

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

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

For the six months ended 30 June 2024, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Scheme.

## OTHER INFORMATION

### AUDIT COMMITTEE

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

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

The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2024 with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### EVENTS AFTER THE END OF REPORTING PERIOD

Excepted as disclosed in this report, there is no other material subsequent event undertaken by the Company or by the Group after 30 June 2024 and up to the date of this report.

### PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement and the interim report are published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.gameone.com.hk](http://www.gameone.com.hk). The interim report of the Company for the six months ended 30 June 2024 will be dispatched to the shareholders of the Company. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed interim report, free of charge, at any time by writing to the Company or the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited.

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

Hong Kong, 8 August 2024

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