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GAMEONE HOLDINGS LIMITED

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8282)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2021, together with the unaudited comparative figures for the corresponding periods in 2020 as follows:

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

For the three months and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue	5	37,615	12,453	61,080	36,611
Cost of services rendered		(19,463)	(10,182)	(36,371)	(30,063)
Gross profit		18,152	2,271	24,709	6,548
Other income	5	111	1,971	274	2,209
Selling expenses		(11,810)	(1,573)	(18,763)	(5,902)
Administrative expenses		(2,310)	(2,395)	(7,955)	(8,371)
Finance cost		(10)	(8)	(36)	(33)
(Loss)/Profit before income tax		4,133	266	(1,771)	(5,549)
Income tax expense	6	-	-	-	-
(Loss)/Profit for the period		4,133	266	(1,771)	(5,549)
Other comprehensive income					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange difference on translation of financial statements of foreign operations		(99)	(290)	(238)	(478)
Change in fair value on cryptocurrencies		83	-	83	-
Other comprehensive income for the period		(16)	(290)	(155)	(478)
Total comprehensive income for the period attributable to owners of the Company		4,117	(24)	(1,926)	(6,027)
(Losses)/Earnings per share					
- Basic and Diluted	8	0.03	0.01	(0.01)	(0.03)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Revaluation surplus HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 January 2021	1,600	41,129	71,458	-	(749)	(79,387)	34,051
Loss for the period	-	-	-	-	-	(1,771)	(1,771)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	(238)	-	(238)
Change in fair value on cryptocurrencies	-	-	-	83	-	-	83
Other comprehensive income for the period	-	-	-	83	(238)	-	(155)
Total comprehensive income for the period	-	-	-	83	(238)	(1,771)	(1,926)
At 30 September 2021 (unaudited)	<u>1,600</u>	<u>41,129</u>	<u>71,458</u>	<u>83</u>	<u>(987)</u>	<u>(81,158)</u>	<u>32,125</u>
At 1 January 2020	1,600	41,129	71,458	-	267	(69,317)	45,137
Loss for the period	-	-	-	-	-	(5,549)	(5,549)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	(478)	-	(478)
Other comprehensive income for the period	-	-	-	-	(478)	-	(478)
Total comprehensive income for the period	-	-	-	-	(478)	(5,549)	(6,027)
At 30 September 2020 (unaudited)	<u>1,600</u>	<u>41,129</u>	<u>71,458</u>	<u>-</u>	<u>(211)</u>	<u>(74,866)</u>	<u>39,110</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2021

1. CORPORATE INFORMATION

The Company was incorporated in Cayman Islands with limited liability under the Companies Law of Cayman Islands on 14 April 2010. The Company's registered office is located at PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's principal place of business is located at Office Unit No.07, 5/F, Workingberg Commercial Building, Nos. 41-47 Marble Road, Hong Kong.

The Company's shares were listed on GEM of the Stock Exchange on 13 January 2016 (the "**Listing Date**").

The principal activity of the Company is investment holding. The principal activities of the Group are engaged in development, operation, publishing and distribution of online and mobile games in Hong Kong and Taiwan.

2. BASIS OF PREPARATION AND PRESENTATION

The Group's unaudited condensed consolidated financial statements for the nine months ended 30 September 2021 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure required by the GEM Listing Rules and by the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements for the nine months ended 30 September 2021 are consistent with those adopted in the Group's audited annual report dated 25 March 2021 (the "**2020 Annual Report**"), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "**New and Revised HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the nine months ended 30 September 2021 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the nine months ended 30 September 2021.

2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The preparation of these unaudited condensed consolidated financial statements requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this unaudited condensed consolidated financial 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 2020 Annual Report.

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2021 have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements for the nine months ended 30 September 2021 are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2020 Annual Report.

The unaudited condensed consolidated 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 2021 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
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The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive Directors in order to allocate resources and assess performance of the segment. During the period, executive Directors regularly review revenue and operating results derived from development, operation, publishing and distribution of online and mobile games and consider as one single operating segment. The game operation income and licence fee income are recognized over time while the game publishing income is recognized at a point in time.

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

Geographical information

	Three months ended 30 September		Nine months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
By country/region				
Hong Kong	28,398	11,186	48,677	32,219
Taiwan	9,217	1,123	12,403	3,990
Others	–	144	–	402
	<u>37,615</u>	<u>12,453</u>	<u>61,080</u>	<u>36,611</u>

Information about major customers

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

5. REVENUE AND OTHER INCOME

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue from contracts with customer within the scope of HKFRS 15:				
Game operation income	28,960	12,110	51,077	35,565
Game publishing income	101	157	277	530
Royalty income	8,396	22	9,214	80
License fee income	158	164	512	436
	<u>37,615</u>	<u>12,453</u>	<u>61,080</u>	<u>36,611</u>
Other income				
Interest income	-	37	2	261
Government subsidies (<i>Note</i>)	-	1,921	-	1,921
Other income	111	13	272	27
	<u>111</u>	<u>1,971</u>	<u>274</u>	<u>2,209</u>
	<u>37,726</u>	<u>14,424</u>	<u>61,354</u>	<u>38,820</u>

Note: Being the subsidies received from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme as promulgated by the Government of the Hong Kong Special Administrative Region of the People's Republic of China.

6. INCOME TAX EXPENSE

No Profits Tax for the Taiwan branch has been provided as the Taiwan branch has not generated any tax assessable profits in Taiwan for the period (2020: Nil).

No provision for Hong Kong Profits Tax was made as the Group has not generated any assessable profits in Hong Kong for the period (2020: Nil).

7. DIVIDENDS

No dividends have been paid or declared by the Company or any of the subsidiaries during the nine months ended 30 September 2021 (nine months ended 30 September 2020: Nil).

8. (LOSSES)/EARNINGS PER SHARE

The calculation of basic (losses)/earnings per share for periods in 2021, is based on the (losses)/earnings attributable to the owners of the Company and on the number of 160,000,000 ordinary shares (nine months ended 30 September 2020: 160,000,000 ordinary shares) in issue, being the number of shares of the Company as at 30 September 2021. Given that there was no movement in the number of ordinary shares in issue during the period, the weighted average number of shares used for the purpose of calculation of the basic (losses)/earnings per share is 160,000,000 for both three months ended 30 September 2021 and nine months ended 30 September 2021 (three months ended 30 September 2020 and nine months ended 30 September 2020: 160,000,000 ordinary shares).

No diluted (losses)/earnings per share is calculated for the three months ended 30 September 2021 and nine months ended 30 September 2021 (2020: Nil) as there was no potential dilutive ordinary share in existence.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are an integrated game developer, operator and publisher focusing on the markets of Hong Kong and Taiwan. We operate and publish the Group's self/co-developed and licensed games in Hong Kong and Taiwan 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/vouchers. We consider such integration of upstream and downstream services in the value chain of the game industry has provided us with a better market position.

For the nine months ended 30 September 2021, the Group recorded a net loss of approximately HK\$1.8 million while it had a net loss of approximately HK\$5.5 million for the same period in 2020. In view of the expected game launch dates and in order to increase the Group's competitiveness in mobile game market in Hong Kong and Taiwan, the Board will closely monitor the performance of the Group and the Group will continue to pursue the key business strategies to expand its game portfolio through introducing more high-quality licensed games with a focus on mobile games, to consolidate market position and enhance marketing efforts.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 66.9% from approximately HK\$36.6 million for the nine months ended 30 September 2020 to approximately HK\$61.1 million for the nine months ended 30 September 2021, primarily attributable to the significantly increase in game revenue of the Group's licensed mobile games, "Teddy Boy M (古惑仔M)" and "ACE SOCCER (球場風雲)", which have been launched since the second and third quarters of 2021 respectively.

Cost of services rendered

The Group's cost of services rendered for the nine months ended 30 September 2021 was approximately HK\$36.4 million, representing increase of approximately 20.9% from approximately HK\$30.1 million for the corresponding period in 2020, primarily attributable of (i) an approximately HK\$4.4 million increase in channel fees; and (ii) an approximately HK\$4.5 million increase in royalty expenses primarily resulted from an increase in the Group's game operation income from licensed games for the nine months ended 30 September 2021.

Gross profit and gross profit margin

The Group's gross profit for the nine months ended 30 September 2021 was approximately HK\$24.7 million, representing an increase of approximately 280.0% from approximately HK\$6.5 million for the nine months ended 30 September 2020, primarily due to an increase in the Group's game operation income from the licensed mobile games, "Teddy Boy M (古惑仔M)" and "ACE SOCCER (球場風雲)", and royalty income from licensed mobile game "Teddy Boy M (古惑仔 M)" in Taiwan.

The Group's gross profit margin for the nine months ended 30 September 2021 was approximately 40.4%, representing an increase of approximately 22.6 percentage points compared to approximately 17.8% for the nine months ended 30 September 2020. The higher gross profit margin was primarily resulted from the increased in royalty income of "Teddy Boy M (古惑仔 M)" licensed in Taiwan.

Selling expenses

The Group's selling expenses for the nine months ended 30 September 2021 were approximately HK\$18.8 million, representing a significantly increase of approximately 218.6% from approximately HK\$5.9 million for the corresponding period in 2020, primarily attributable to an increase in promotion and advertising expenses of the Group's new licensed mobile games which were launched during the third quarter of 2021.

Administrative expenses

The Group's administrative expenses for the nine months ended 30 September 2021 were approximately HK\$8.0 million, representing a slightly decrease of approximately 4.8% from approximately HK\$8.4 million for the corresponding period in 2020, primarily attributable a decrease in staff cost during the nine months ended 30 September 2021.

Loss for the period

The Group recorded a loss for the nine months ended 30 September 2021 of approximately HK\$1.8 million as compared with a loss of approximately HK\$5.5 million for the corresponding period in 2020, primarily attributable to the combined effect of (i) an approximately HK\$18.2 million increase in the gross profit for nine months ended 30 September 2021 due to an increase in the revenue of the Group's licensed mobile games; and (ii) an approximately HK\$12.9 million increase in promotion and advertising expenses for the Group's licensed mobile games.

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2021 (nine months ended 30 September 2020: Nil).

OTHER INFORMATION

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

As at 30 September 2021, 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 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
Ms. Wong Pui Yain (<i>Note 1</i>)	Interest of controlled corporation	66,787,235	41.74%
Mr. Sze Yan Ngai (<i>Chairman and chief executive officer</i>) (<i>Note 2</i>)	Interest of controlled corporation/ Interest of spouse	29,004,337	18.13%

Notes:

- (1) Ms. Wong Pui Yain ("**Ms. Wong**") holds 50% of the issued share capital of PC Asia Limited ("**PC Asia**"), which directly holds 99% and indirectly holds 1%, through PC Asia Nominees Limited ("**PC Asia Nominees**"), of the issued share capital of PC Investment Limited ("**PCIL**"). By virtue of the SFO, Ms. Wong is deemed to be interested in the 66,787,235 shares of the Company (the "**Shares**") in which PCIL is interested.
- (2) Mr. Sze Yan Ngai ("**Mr. Sze**") and Ms. Chan Lai Chu ("**Mrs. Sze**") hold 50% of the issued share capital of Right One Global Limited ("**Right One**") respectively, which holds 29,004,337 Shares. Mrs. Sze is the spouse of Mr. Sze. By virtue of the SFO, Mr. Sze is deemed to be interested in the Shares in which Right One and Mrs. Sze are interested.

Save as disclosed above, as at 30 September 2021, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as is known to the Directors or chief executives of the Company, as at 30 September 2021, 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
Mr. Wong Kiam Seng (<i>Note 1</i>)	Interest of controlled corporation	66,787,235	41.74%
PCIL (<i>Note 2</i>)	Beneficial owner	66,787,235	41.74%
PC Asia (<i>Note 2</i>)	Interest of controlled corporation	66,787,235	41.74%
Mrs. Sze (<i>Note 3</i>)	Interest of controlled corporation/ Interest of spouse	29,004,337	18.13%
Right One (<i>Note 4</i>)	Beneficial owner	29,004,337	18.13%
Nineyou International Limited (<i>Note 5</i>)	Beneficial owner	18,367,182	11.48%
New Horizon Capital, L.P. (<i>Note 5</i>)	Interest of controlled corporation	18,367,182	11.48%
Heartland Investment Limited (<i>Note 5</i>)	Interest of controlled corporation	18,367,182	11.48%

Notes:

- (1) PC Asia is beneficially owned by Ms. Wong as to 50% and Mr. Wong Kiam Seng (“**Mr. Wong**”) as to 50%. Mr. Wong is the father of Ms. Wong.
- (2) PCIL is beneficially owned by PC Asia as to 99% and PC Asia Nominees as to 1%. PC Asia Nominees is beneficially owned by PC Asia.

- (3) Mr. Sze and Mrs. Sze hold 50% of the issued share capital of Right One respectively, which holds 29,004,337 Shares. Mrs. Sze is the spouse of Mr. Sze. By virtue of the SFO, Mrs. Sze is deemed to be interested in the Shares in which Right One and Mr. Sze are interested.
- (4) Right One is beneficially owned by Mr. Sze as to 50% and Mrs. Sze as to 50%.
- (5) 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 New Horizon Capital, L.P. which is also an independent third party.

Save as disclosed above, as at 30 September 2021, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section headed “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debenture of the Company” above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the nine months ended 30 September 2021, 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 nine months ended 30 September 2021.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or any of its respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group during the nine months ended 30 September 2021.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors securities transactions in securities of the Company (the “**Required Standard of Dealing**”). Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and its code of conduct and there was no event of non-compliance throughout the period under review.

CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code during the nine months ended 30 September 2021 and up to the date of this announcement except for the below deviation.

Code provision A.2.1 of the Code as set out in Appendix 15 of the GEM Listing Rules stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Sze performs the roles of chairman of the Board (the “**Chairman**”) and chief executive officer of the Company (the “**Chief Executive Officer**”), the Company has deviated from this Code from 30 June 2021. However, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. Sze has the benefit of ensuring consistent and continuous planning and execution of the Company’s strategies. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired in light of the diverse background and experience of the independent non-executive Directors, and the composition of the Board which comprises three independent non-executive Directors, one non-executive Director and two executive Directors also provides additional independence to the Board.

SUFFICIENCY OF PUBLIC FLOAT

As the date of this announcement, 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 complies with the minimum of public float of 25%.

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. 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 nine months ended 30 September 2021, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Scheme.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established by the Board on 23 December 2015 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 and C.3.7 of the Code. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Lu Tak Meng Teddy. The other members are Mr. Yung Kai Tai and Dr. Fung Ying Him Anthony. The primary duties of the Audit Committee are to review and approve the Group’s financial reporting process and the internal control systems of the Group.

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

The Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2021 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

There are no significant events affecting the Group after the reporting period and up to the date of this announcement.

PUBLICATION OF QUARTERLY RESULTS AND QUARTERLY REPORT

This quarterly results announcement and the quarterly report are published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.gameone.com.hk. The quarterly report of the Company for the nine months ended 30 September 2021 will be dispatched to the shareholders of the Company. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed quarterly report, free of charge, at any time by writing to the Company or the Company's registrar, Tricor Investor Services Limited.

By order of the Board
Gameone Holdings Limited
Sze Yan Ngai
Chairman and Executive Director

Hong Kong, 9 November 2021

As at the date of this announcement, the executive Directors are Mr. Sze Yan Ngai and Mr. Cheung Chung Wai; the non-executive Director is Ms. Wong Pui Yin; and the independent non-executive Directors are Mr. Yung Kai Tai, Dr. Fung Ying Him Anthony and Mr. Lu Tak Meng Teddy.

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