
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 your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser. Capitalised terms used herein shall have the same meanings as those defined in the section headed “Definitions” in this Prospectus, unless otherwise stated.

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).

A copy of this Prospectus, together with copies of the documents specified in the paragraph headed “15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES” in Appendix III to this Prospectus, has been registered with 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 Law of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of these documents. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed “Warning of the Risks of Dealing in the existing Shares and Nil-paid Rights” in the “Letter from the Board” in this Prospectus.

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 and you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. 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.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, 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 the Prospectus Documents.



(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE; AND (II) CHANGE IN BOARD LOT SIZE

Financial Adviser to the Company



Innovax Capital Limited

Underwriter



Innovax Securities Limited

The Rights Issue is only underwritten on a best effort and non-fully underwritten basis. In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of Nil-paid Rights, and not subscribed by the Underwriter or subscribers procured by it will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. The Rights Issue is subject to fulfillment or satisfaction of the conditions precedent of the Rights Issue as set out in the section headed “Letter from the Board – Conditions precedent of the Rights Issue” in this Prospectus and the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the Underwriting Agreement thereunder on the occurrence of certain events including force majeure at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Thursday, 21 July 2022). If the Underwriting Agreement does not become unconditional or if any of the conditions precedent of the Rights Issue are not fulfilled or waived (as applicable) at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Friday, 8 July 2022 to Friday, 15 July 2022 (both days inclusive). If the conditions precedent of the Rights Issue are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the Nil-paid Rights during the period from Friday, 8 July 2022 to Friday, 15 July 2022 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealing in the existing Shares and/or the Nil-paid Rights are recommended to consult their own professional advisers and exercise caution.

The latest date and time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares is 4:00 p.m. on Wednesday, 20 July 2022. The procedures for acceptance and payment or transfer of the Rights Shares are set out in the section headed “Letter from the Board – Procedures for acceptance and payment or transfer” on pages 18 to 22 of this Prospectus.

6 July 2022

CHARACTERISTICS OF GEM

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

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 10 June 2022 in relation to, among other things, the Rights Issue and the Change in Board Lot Size
“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
“Change in Board Lot Size”	the change in board lot size of the Shares from 4,000 Shares to 12,000 Shares
“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 Act”	the Companies Act (Revised) of the Cayman Islands
“Controlling Shareholder(s)”	has the meaning ascribed to it 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 Shareholder(s) 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 and the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any)
“Excluded Shareholder(s)”	the 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
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“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)

DEFINITIONS

“Irrevocable Undertakings”	the irrevocable undertakings executed by Topliu Limited and Mr. Huang in favour of the Company and the Underwriter, the principal terms of which are disclosed in the section headed “The Irrevocable Undertakings” in this Prospectus
“Last Trading Day”	10 June 2022, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	30 June 2022, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 20 July 2022 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 Thursday, 21 July 2022 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, who is the legal and beneficial owner of 24,707,000 Shares as at the Latest Practicable Date
“Mr. Liu”	Mr. Liu Yi, an executive Director and one of the Controlling Shareholders, who is the ultimate beneficial owner of 66,787,235 Shares through Topliu Limited as at the Latest Practicable Date
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“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
“PAL(s)”	the provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue

DEFINITIONS

“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”	this 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”	this Prospectus, the PAL(s) and the EAF(s)
“Prospectus Posting Date”	Wednesday, 6 July 2022 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), this Prospectus only)
“Public Float Requirement”	the public float requirement under Rule 11.23 of the GEM Listing Rules
“Qualifying Shareholders”	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”	Tuesday, 5 July 2022, 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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue of up to 80,000,000 Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) existing 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

DEFINITIONS

“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of the Nil-paid Rights shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger non-compliance with the Public Float Requirement on the part of the Company
“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in the failure to comply with the Public Float Requirement on the part of the Company
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in the failure to comply with the Public Float Requirement on the part of the Company
“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\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.28 per Rights Share
“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 the legal and beneficial owner of 66,787,235 Shares as at the Latest Practicable Date and is wholly owned by Mr. Liu, an executive Director and one of the Controlling Shareholders

DEFINITIONS

“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 10 June 2022 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”	up to 14,252,883 Rights Shares to be underwritten by the Underwriter on a best-effort and non-fully underwritten basis pursuant to the terms and conditions of the Underwriting Agreement
“Zhejiang Gameone”	Zhejiang Gameone Holding Group Limited* (浙江智傲控股集團有限公司), an indirect wholly-owned subsidiary of the Company
“%”	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 implementation of the Rights Issue is set out below. The expected timetable is for indicative purpose only and may be subject to change, and any such change will be announced by the Company as and when appropriate. The expected timetable has been prepared on the assumption that all the conditions precedent of the Rights Issue will be fulfilled or waived (as applicable).

Event	Time and Date
Despatch of the Prospectus Documents to the Qualifying Shareholders (in the case of the Excluded Shareholder(s), this Prospectus only)	Wednesday, 6 July 2022
First day of dealing in Nil-paid Rights	9:00 a.m. on Friday, 8 July 2022
Latest time for splitting of the PAL(s)	4:30 p.m. on Tuesday, 12 July 2022
Last day of dealing in Nil-paid Rights	Friday, 15 July 2022
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for the Excess Rights Shares	4:00 p.m. on Wednesday, 20 July 2022
Latest Time for Termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 21 July 2022
Announcement of allotment results of the Rights Issue	Wednesday, 27 July 2022
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful application for the Excess Rights Shares	Thursday, 28 July 2022
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Friday, 29 July 2022
Effective date of the new board lot size (in the board lot size of 12,000 Shares)	9:00 a.m. on Friday, 29 July 2022
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Friday, 29 July 2022
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Thursday, 18 August 2022

EXPECTED TIMETABLE

All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company in agreement with the Underwriter and in accordance with the GEM Listing Rules. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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 Conditions, 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 at or before 4:00 p.m. on Wednesday, 20 July 2022, 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, Uglan House
Grand Cayman, KY1-1104
Cayman Islands

*Principal place of business
in Hong Kong:*

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

6 July 2022

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

Dear Sir or Madam,

(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE; AND (II) CHANGE IN BOARD LOT SIZE

INTRODUCTION

Reference is made to the Announcement whereby the Board announced that the Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.28 per Rights Share, to raise gross proceeds up to approximately HK\$22.4 million before expenses. The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholder(s).

On 10 June 2022, the Company and the Underwriter entered into the Underwriting Agreement, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best-effort and non-fully underwritten basis, the Underwritten Shares of up to 14,252,883 Rights Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein.

LETTER FROM THE BOARD

The Board proposes the Change in Board Lot Size from 4,000 Shares to 12,000 Shares with effect from 9:00 a.m. on 29 July 2022.

The purpose of this Prospectus is to provide you with, among other things, further details on (i) the Rights Issue and the Underwriting Agreement; (ii) the Change in Board Lot Size; (iii) the financial information of the Group; and (iv) the general information of the Group.

PROPOSED RIGHTS ISSUE

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

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.28 per Rights Share
Net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue):	Approximately HK\$0.266 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	160,000,000 Shares
Number of Rights Shares to be issued:	Up to 80,000,000 Rights Shares (assuming full subscription under the Rights Issue)
Aggregate nominal value of the Rights Shares:	Up to HK\$800,000 (assuming full subscription under the Rights Issue)
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 43,393,617 Rights Shares, which comprise (a) 33,393,617 Rights Shares, representing its full entitlement under the Rights Issue and (b) 10,000,000 Rights Shares by way of excess application; and (ii) Mr. Huang has undertaken to the Company that he will subscribe for 22,353,500 Rights Shares, which comprise (a) 12,353,500 Rights Shares, representing his full entitlement under the Rights Issue and (b) 10,000,000 Rights Shares by way of excess application

LETTER FROM THE BOARD

Enlarged number of Shares in issue upon completion of the Rights Issue:	Up to 240,000,000 Shares (assuming full subscription under the Rights Issue)
Gross proceeds from the Rights Issue:	Up to approximately HK\$22,400,000
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 on or before the Record Date.

The 80,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (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 Rights Issue is only underwritten on a best-effort and non-fully underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue and the Underwriting Agreement, the Rights Issue shall proceed regardless of the ultimate subscription level, and up to 80,000,000 Rights Shares are available to be subscribed subject, however, to any Scaling-down vis-a-vis the Public Float Requirement.

In the event the Rights Issue is under-subscribed, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of Nil-paid Rights, and not subscribed by the Underwriter or subscribers procured by it pursuant to the Underwriting Agreement will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price is HK\$0.28 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 6.7% to the closing price of HK\$0.300 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM THE BOARD

- (ii) a discount of approximately 40.4% to the closing price of HK\$0.470 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 40.3% to the average of the closing price of HK\$0.469 per 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 discount of approximately 40.3% to the average of the closing price of approximately HK\$0.469 per 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 discount of approximately 31.2% to the theoretical ex-rights price of approximately HK\$0.407 per Share based on the closing price of HK\$0.470 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 13.5%, represented by the discount of the theoretical diluted price of approximately HK\$0.407 per Share to the benchmarked price of approximately HK\$0.470 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\$0.470 per Share and the average of the closing prices of the Shares of approximately HK\$0.469 per 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 premium of approximately 29.3% over the audited consolidated net asset value per Share of approximately HK\$0.217 as at 31 December 2021 (based on the latest published audited consolidated net asset value attributable to Shareholders of approximately HK\$34,652,000 as at 31 December 2021 and 160,000,000 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; (ii) the financial position of the Group; and (iii) 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 discount of approximately 40.4% to the closing price per 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 Shares were traded on the Stock Exchange with an average closing price of approximately HK\$0.420 per Share. The Subscription Price of HK\$0.28 per Rights Share represents a discount of approximately 33.3% to the average closing price of approximately HK\$0.420 per Share for the Relevant Period. Taking into account the prevailing closing prices of the Shares and market conditions of the capital market in Hong Kong during the Relevant Period, the Subscription Price was determined at a discount to the recent closing prices of the Shares with an aim to lowering

LETTER FROM THE BOARD

the further investment cost of the Qualifying Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising any dilution impact.

All Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue at a relatively low price as compared to the historical market price of the Shares and at a discount to the recent closing prices of the Shares. It is also not uncommon for listed companies on the Stock Exchange to issue rights shares at a discount to the prevailing market price of their shares in order to enhance the attractiveness of the rights issue. Accordingly, although the Subscription Price was set at a discount to the prevailing closing prices of the Shares, the Directors believe that the discount of the Subscription Price will encourage the Qualifying Shareholders to participate in the Rights Issue and the future growth of the Group. 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.

Taking into account the aforementioned factors and in particular that (i) the discount of the Subscription Price could lower the investment cost of the Qualifying Shareholders and therefore enhance the attractiveness of the Rights Issue for them to take up their entitlements to maintain their shareholdings in the Company; and (ii) the Subscription Price represents a premium of approximately 29.3% to the Group's net asset value per Share as at 31 December 2021, 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.

The Irrevocable Undertakings

As at the Latest Practicable Date, Topliu Limited (which is wholly-owned by Mr. Liu) and Mr. Huang were interested in 66,787,235 Shares and 24,707,000 Shares, which represent approximately 41.74% and 15.44% of the issued Shares, respectively. Pursuant to the Irrevocable Undertakings, (i) Topliu Limited has undertaken to the Company that it will subscribe for 43,393,617 Rights Shares, which comprise (a) 33,393,617 Rights Shares, representing its full entitlement under the Rights Issue and (b) 10,000,000 Rights Shares by way of excess application; (ii) Mr. Huang has undertaken to the Company that he will subscribe for 22,353,500 Rights Shares, which comprise (a) 12,353,500 Rights Shares, representing his full entitlement under the Rights Issue and (b) 10,000,000 Rights Shares by way of excess application; (iii) Topliu Limited and Mr. Huang have undertaken to the Company that each of them will lodge the duly completed and signed PALs, EAFs and all relevant documents with the Registrar, accompanied by payment in full therefor in accordance with the terms of the Prospectus Documents by the Latest Time for Acceptance; and (iv) 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 66,787,235 Shares and 24,707,000 Shares representing their respective shareholding in the Company, 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.

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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 91,494,235 Shares, representing approximately 57.18% of the issued Shares as at the Latest Practicable Date. Accordingly, the allotment and issue of any Right 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.

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 Shareholder(s). The Company will despatch the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date and will despatch this Prospectus only (without the PAL or the EAF) to the Excluded Shareholder(s) for their information.

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 Wednesday, 20 July 2022.

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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 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.

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 11.48% 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, 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 28 June 2022 to 5 July 2022 (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

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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.

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) existing 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) existing 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.

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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.

Procedures for acceptance and payment or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Wednesday, 20 July 2022. 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. 29" 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 Wednesday, 20 July 2022, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged to but may, at its sole and absolute 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. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Tuesday, 12 July 2022 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, 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

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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.

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 together 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 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) at or before 4:00 p.m. on Thursday, 21 July 2022 (or such later time or date as may be agreed between the Company and the Underwriter in writing), 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 Thursday, 28 July 2022.

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

Application for the 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;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares; and
- (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

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The Company will, upon consultation with the Underwriter, allocate the Excess Rights Shares (if any) at their discretion on a fair and equitable basis on 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 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, 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.

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.

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.

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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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Wednesday, 20 July 2022. 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. 30**" 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 Wednesday, 27 July 2022. If no Excess Rights Shares are allotted to a Qualifying Shareholder who has applied for Excess Rights Shares, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post by the Registrar at his/her/its own risk on or before Thursday, 28 July 2022. If the number of Excess Rights Shares allotted to a Qualifying Shareholder is fewer than that applied for, the surplus application monies without interest are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Thursday, 28 July 2022.

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.

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.

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If the Underwriter exercises the right to terminate or rescind the 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) at or before 4:00 p.m. on Thursday, 21 July 2022 (or such later time or date as may be agreed between the Company and the Underwriter in writing), the monies received in respect of application for Excess Rights Shares will be returned to the Qualifying Shareholders 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 Thursday, 28 July 2022.

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 or waiver (as applicable) of the conditions precedent of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Thursday, 28 July 2022 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 Thursday, 28 July 2022 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 Thursday, 28 July 2022, by ordinary post to the applicants, at their own risk, to their registered addresses.

Scale-down of subscriptions to avoid the triggering of non-compliance with Public Float Requirement

Without prejudice to the generality of the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best effort and non-fully underwritten basis, to avoid the unwitting triggering of non-compliance with the Public Float Requirement, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of Nil-paid Rights, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which does not result in the non-compliance with the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under the PAL(s) or the EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any non-compliance with the Public Float Requirement. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); and (b) where the scale-down is necessitated by the exceeding of shareholding by a group of Qualifying Shareholders

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rather than an individual Qualifying Shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

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. The Nil-paid Rights and fully-paid Rights Shares will be traded in the board lots of 12,000 Shares, being the new board lot size after the Change in Board Lot Size takes effect. 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.

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Arrangement of odd lot trading

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Rights Issue, the Company has appointed Innovax Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. 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 Friday, 29 July 2022 at 9:00 a.m. to Thursday, 18 August 2022 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

THE UNDERWRITING AGREEMENT

Date: 10 June 2022 (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.

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 14,252,883 Rights Shares, representing approximately 5.94% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

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Underwriting Commission: 1.5% of the aggregate subscription amount in respect of the Rights Shares actually subscribed by the Underwriter or subscribers procured by it

Pursuant to the Underwriting Agreement, the Underwriter shall ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be an Independent Third Party; (ii) the Public Float Requirement shall be complied with by the Company upon completion of the Rights Issue and (iii) the Underwriter or each subscriber procured by the Underwriter (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

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 best-effort and non-fully underwritten basis, for the Underwritten Shares that are not otherwise taken up.

As at the Latest Practicable Date, the Underwriter has not procured any sub-underwriters and/or subscribers for the Underwritten Shares. In case any sub-underwriter(s) will be procured by the Underwriter, the Underwriter will ensure that the sub-underwriter has complied with Rule 10.24A(1) of the GEM Listing Rules and shall be an Independent Third Party.

Conditions precedent of the Rights Issue

The completion of the Rights Issue and the obligations of the Underwriter under the Underwriting Agreement are 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;

LETTER FROM THE BOARD

- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of this 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;
- (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) the entering into of binding agreements by the Underwriter with certain subscriber(s) procured by the Underwriter and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber(s) procured by the Underwriter and/or sub-underwriter(s) and/or party or parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Rights Issue;
- (ix) 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
- (x) 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.

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Apart from the conditions precedent as set out in (v), (viii) and (x) 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), (viii) and (x) above have not been waived by the Underwriter as at the Latest Practicable Date.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming all Right Shares are subscribed by the Qualifying Shareholders and the entitled Rights Shares of the Excluded Shareholder are taken up by Topliu Limited and Mr. Huang by way excess application pursuant to the Irrevocable Undertakings; and (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 the subscriber(s) procured by it takes up all Underwritten Shares pursuant to the Underwriting Agreement:

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	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 Topliu Limited and Mr. Huang by way excess application pursuant to the Irrevocable Undertakings						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 the subscriber(s) procured by it takes up all Underwritten Shares	
	As at the Latest Practicable Date		Irrevocable Undertakings		Irrevocable Undertakings		Irrevocable Undertakings	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Topliu Limited (<i>Note 1</i>)	66,787,235	41.74	104,772,647	43.65	110,180,852	45.91		
Mr. Huang	24,707,000	15.44	41,652,296	17.36	47,060,500	19.61		
Nineyou International Limited (<i>Note 2</i>)	18,367,182	11.48	18,367,182	7.65	18,367,182	7.65		
The Underwriter and/or the subscriber(s) procured by it	–	–	–	–	14,252,883	5.94		
Other public Shareholders	<u>50,138,583</u>	<u>31.34</u>	<u>75,207,875</u>	<u>31.34</u>	<u>50,138,583</u>	<u>20.89</u>		
Total	<u>160,000,000</u>	<u>100.00</u>	<u>240,000,000</u>	<u>100.00</u>	<u>240,000,000</u>	<u>100.00</u>		

Notes:

- Topliu Limited is wholly owned by Mr. Liu.
- 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 82.35% by Heartland Investment Limited. Heartland Investment Limited is wholly owned by Million Treasure Limited which is also an Independent Third Party. As NYIL is an Excluded Shareholder and will not take up any of the Rights Shares, its shareholding in the Company may be reduced to below 10% and it will no longer be regarded as a substantial shareholder of the Company and will be counted as a public shareholder upon the completion of the Rights Issue.
- 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. Topliu Limited and Mr. Huang are parties acting in concert, and were interested in an aggregate of 91,494,235 Shares, representing approximately 57.18% of the issued Shares as at the Latest Practicable Date. Accordingly, the allotment and issue of any Right 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.

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4. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription for the Underwritten Shares, the Underwriter shall confirm with the Company the actual number of Underwritten Shares which have not been accepted by the Shareholders or for which duly completed PAL(s) and/or EAF(s) have not been received as at the Latest Time for Acceptance, and shall procure for subscription therefor on the best effort basis whilst using its best endeavors to ensure that (1) each of the subscribers of the Underwritten Shares procured by the Underwriter shall be an Independent Third Party; (2) the Public Float Requirement shall be complied with by the Company upon completion of the Rights Issue; and (3) the Underwriter or each subscriber procured by the Underwriter (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 10% or more of the voting rights of the Company immediately after the Right Issue.

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.

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

The Group is a software service provider focusing on the market of the PRC. The Group provides internet security technical service and big data related analysis service to the customers. The Group is also an integrated game developer, operator and publisher focusing on the market of Hong Kong and other countries and regions. The Group operates and publishes the Group's self/co-developed and licensed games in Hong Kong and other regions primarily through the Group's game distribution platforms as well as other third-party distribution platforms. The Group collects payments from players either through the Group's own game platform, third-party distribution platforms such as Apple Store and Google Play, or third-party payment vendors, which include convenience stores selling prepaid game cards/vouchers.

As disclosed in the Company's annual report for the year ended 31 December 2021, the Group recorded a thin net profit of approximately HK\$0.6 million amid a significant increase of its revenue as a result of two new mobile games launched in 2021, compared with a net loss of approximately HK\$10.1 million in 2020. Due to (i) a tougher competitive condition in the mobile game industry faced by the Group in Hong Kong and Taiwan; and (ii) continuous increase in the Group's promotion and advertising costs, the Group incurred a net loss during the period from 2016 to 2020. As a result, the Group's net assets decreased from approximately HK\$90.7 million as at 31 December 2016 to approximately HK\$34.7 million as at 31 December 2021.

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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 plans to broaden its revenue sources through its business expansion to the PRC. As disclosed in the Company's annual report for the year ended 31 December 2021, in January 2022, Zhejiang Gameone, an indirect wholly-owned subsidiary of the Group, was established in Hangzhou, the PRC as the Group's headquarters and foothold to enter into the PRC market. The major business of Zhejiang Gameone is the development and marketing of e-commerce and cybersecurity technology (collectively, "New PRC Business"). With the establishment of the Group's headquarters in Hangzhou, the Group has begun to explore extensively on gaining presence of mobile games and other products in the PRC market to further increase and diversify the Group's operating income.

As stated in the Company's annual report for the year ended 31 December 2021, the Group recognises the outbreak of the COVID-19 since the beginning of 2020 is a fluid and challenging situation faced by all the industries of Hong Kong and even worldwide. In view of the Group's unsatisfactory financial performance over the years and its business expansion in the PRC, the Directors consider that it is commercially reasonable and justifiable to obtain external financing to support its working capital and to develop the New PRC Business with a view to achieve continuous improvement of the Group's financial performance.

Set out below is the business model and management team responsible for the New PRC Business:

	Business model	Management team
E-commerce business	Zhejiang Gameone will act as the bridge between brand partners, e-commerce platforms and customers in the PRC. It will operate its business primarily through distribution method and service fee method. Under the distribution model, Zhejiang Gameone will purchase products (intended to be mainly gaming hardware and fast-moving consumer goods initially) from selected brand partners, manage supply chains, identify and reach target customers through "KOL" (Key Opinion Leader), and sell products to customers through live streaming channels operated by it. Under the service fee method, Zhejiang Gameone will provide sale solutions in relation to E-commerce business to brand partners for service fees. The amount of service fee will be determined with reference to the online sales to be generated by Zhejiang Gameone for the relevant brand partners.	The team size will be around seven to nine persons led by Mr. Huang, an executive Director. He obtained the 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 PRC.

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Cybersecurity business	Business model Zhejiang Gameone will design and develop tailor-made cybersecurity solutions to corporate clients in the PRC. Such cybersecurity solutions will assist its corporate clients to recognize and respond to cyber threats and attacks.	Management team The team size will be around four to five persons led by Mr. Liu, the chairman, CEO and executive Director. He obtained the 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.
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In addition to broadening the Group's revenue streams, the Directors consider that the development of the New PRC Business will create the following business synergies with the Group's existing mobile and online gaming business, which will continue to be the core business segment of the Group:

- leveraging the brand reputation of "Gameone" in the gaming industry, the Group plans to set up a specific live streaming channel to market gaming hardware, such as gaming headsets, keyboards and mice, to gamers for the development of the E-commerce business as mentioned above; and
- through the development of cybersecurity business, the Group will also be able to apply the newly developed and acquired cybersecurity technologies and know-how in its existing gaming business, such as enhancing the Group's ability to recognize and respond to cyber threats and attacks on its IT infrastructure, including mobile and online game servers and data storage systems, which will allow the Group to improve its cybersecurity for the existing mobile and online gaming business.

The Group estimated that the net proceeds from the Right issues, together with the expected internal cashflow to be generated from the New PRC Business, will be sufficient for the Group's proposed investment into the New PRC Business for the two years ending 31 December 2023.

If there is under-subscription of the Right Issues, the shortfall between the actual net proceeds from the Rights Issue and the Group's proposed utilisation of the net proceeds from the Rights Issue in the New PRC Business (as detailed below) will be financed by the Group's internal resources.

Given that the development of the New PRC Business is aimed to only broaden the Group's revenue streams and complement the Group's existing mobile and online gaming business, the Group has no intention, arrangement, agreement, understanding or negotiation (concluded or otherwise) to downsize or dispose of the Group's existing mobile and online gaming business. It is currently the intention of the Company that the existing mobile and online gaming business will continue to be a principal business of the Group.

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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. 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\$1.1 million.

The net proceeds from the Rights Issue are estimated to be approximately HK\$21.3 million (assuming full subscription under the Rights Issue). The Company intends to apply such net proceeds for the following purposes:

- (i) approximately HK\$17.0 million, representing approximately 80% of the net proceeds, will be used to finance the development of the New PRC Business, among which,
 - (a) approximately HK\$8.5 million, representing 40% of the net proceeds, will be used for online marketing and promotion of the New PRC Business to further enhance brand awareness, such as hiring "KOLs" and operating the livestream channels under the E-commerce business;
 - (b) approximately HK\$6.4 million, representing 30% of the net proceeds, will be used for the lease or purchase of the technological hardware (such as server) to further upgrade the Group's cybersecurity technology required for its existing mobile and online gaming business and the E-commerce business, which at the same time will also be applied by the Group to enhance its ability in providing cybersecurity solutions and services under the cybersecurity business; and

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- (c) approximately HK\$2.1 million, representing 10% of the net proceeds, will be used for the expansion of manpower; and
- (ii) approximately HK\$4.3 million, representing approximately 20% of the net proceeds, will be used as general working capital of the Group.

In the event that (i) there is an under-subscription by Qualifying Shareholders whether under the PAL(s) and/or EAF(s); and (ii) the Underwritten Shares would not be taken up by the Underwriter or subscriber(s) procured by it eventually, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares are expected to be approximately HK\$0.266.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

RISK FACTORS

The Directors recognise that the principal risks, challenges and uncertainties faced by the Group include:

- (i) the mobile game industry is highly competitive;
- (ii) the game industry is subject to rapid technological changes which may render 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 Group may be unsuccessful in developing the New PRC Business in view of the uncertainties and risks relating to such new business and therefore there is no assurance that the Group's investment in the New PRC Business will generate positive returns;
- (vi) the development of the New PRC Business is subject to the effective implementation of the Group's business strategies and business plans, which will affect the prospects and future growth of the New PRC Business;

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- (vii) the Group may not be able to retain or attract brand owners or customers for the New PRC Business, which will materially and adversely affect the demand for the Group's services; and
- (viii) the sale of products by the Group under the E-commerce business may be subject to the relevant laws and regulations in the PRC in effect from time to time.

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.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES AND 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 existing 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 existing 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).

LETTER FROM THE BOARD

CHANGE IN BOARD LOT SIZE

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, it is requested that the value of each board lot shall be no less than HK\$2,000. In order to increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 4,000 Shares to 12,000 Shares with effect from 9:00 a.m. on Friday, 29 July 2022. The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

Based on the closing price of HK\$0.470 per Share on the Last Trading Day as quoted on the Stock Exchange, the market value of each existing board lot of the Shares is HK\$1,880 and the theoretical market value of each proposed new board lot of the Shares (assuming the Change In Board Lot Size had already been effective) is HK\$5,640.

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Change in Board Lot Size, the Company has appointed Innovax Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. 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 Friday, 29 July 2022 at 9:00 a.m. to Thursday, 18 August 2022 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Notwithstanding the potential creation of odd lot shares as a result of the Change in Board Lot Size, the Directors considers that the Change in Board Lot Size will increase the value of each board lot of the Shares and enable the Company to comply with the “Guide on Trading Arrangements for Selected Types of Corporate Actions” as mentioned above. Also, the Change in Board Lot Size will maintain the trading amount for each board lot of the Shares at a reasonable level and reduce transaction and registration costs incurred by the Shareholders and investors of the Company. Accordingly, the Directors are of the view that the Change in Board Lot Size is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

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

Yours faithfully,
Gameone Holdings Limited
Liu Yi
Chairman and Executive Director

1. FINANCIAL SUMMARY OF THE GROUP

Details of the unaudited consolidated financial statements of the Group for the three months ended 31 March 2022 and the audited consolidated financial statements of the Group for the three years ended 31 December 2019, 2020 and 2021, including the notes thereto, are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.gameone.com.hk>):

- (i) the unaudited financial information of the Group for the three months ended 31 March 2022 is disclosed in the first quarterly report of the Company for the three months ended 31 March 2022 published on 13 May 2022, from pages 1 to 8

(<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0513/2022051300360.pdf>);

- (ii) the audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 31 March 2022, from pages 50 to 113

(<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0331/2022033101150.pdf>);

- (iii) the audited financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 31 March 2021, from pages 48 to 111

(<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0331/2021033101176.pdf>);
and

- (iv) the audited financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December 2019 published on 31 March 2020, from pages 48 to 109

(<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0331/2020033100990.pdf>).

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 May 2022, 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:

	<i>HK\$ '000</i>
Current lease liabilities	376
Capital commitment	4,141

Save as aforesaid and apart from intra-group liabilities and normal trade payables and accruals in the ordinary course of business, at the close of business on 31 May 2022, the Group did not have other outstanding debt securities issued and outstanding or agreed to be

issued, mortgages, charges, debentures or other loan capital, bank overdrafts, loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material 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 for at least the next twelve (12) months following the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 December 2021 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a software service provider focusing on the market of the PRC. The Group provides internet security technical service and big data related analysis service to the customers. The Group is also an integrated game developer, operator and publisher focusing on the market of Hong Kong and other countries and regions. The Group operates and publishes the Group's self/co-developed and licensed games in Hong Kong and other regions primarily through the Group's game distribution platforms as well as other third-party distribution platforms. The Group collects payments from players either through the Group's own game platform, third-party distribution platforms such as Apple Store and Google Play, or third-party payment vendors, which include convenience stores selling prepaid game cards/vouchers. 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 the first quarterly report of the Company for the three months ended 31 March 2022, the Group recorded a revenue of approximately HK\$18.9 million for the three months ended 31 March 2022, representing an increase of approximately 57.5% from approximately HK\$12.0 million for the corresponding period in 2021, which was primarily attributable to (i) an increase in software service income; and (ii) an increase in game revenue of the Group's licensed mobile game, "Teddy Boy M (古惑仔M)", which was launched in the second quarter of 2021. The Group recorded a loss for the three months ended 31 March 2022 of approximately HK\$0.8 million as compared with a loss of approximately HK\$3.3 million for the corresponding period in 2021, which was primarily attributable to (i) the increase in software service income and game operation income; and (ii) ongoing measures to control the Group's cost of services rendered.

As disclosed in the annual report of the Company for the year ended 31 December 2021, the Group recorded a revenue of approximately HK\$84.5 million for the year ended 31 December 2021, representing an increase of approximately 64.7% from approximately HK\$51.3 million for the corresponding period in 2020, which was primarily attributable to (i) the significant 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 were launched in the second and third quarters of 2021 respectively, and (ii) the increase in royalty income from licensed mobile game "Teddy Boy M (古惑仔M)" in Taiwan. The Group recorded a profit for the year ended 31 December 2021 of approximately HK\$0.6 million as compared with a loss of approximately HK\$10.1 million for the corresponding period in 2020, primarily attributable to (i) the significant increase in game revenue of the Group's license games, "Teddy Boy M (古惑仔M)" and "ACE SOCCER (球場風雲)"; and (ii) the steady increase in gross profit during the year.

The outbreak of the novel Coronavirus 2019 since the beginning of 2020 is a fluid and challenging situation faced by all industries of the PRC, Hong Kong and even worldwide. 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 plans to broaden its revenue sources through its business expansion to the PRC. As disclosed in the Company's annual report for the year ended 31 December 2021, in January 2022, Zhejiang Gameone, an indirect wholly-owned subsidiary of the Group, was established in Hangzhou, the PRC as the Group's headquarters and foothold to enter into the PRC market. The major business of Zhejiang Gameone is the development and marketing of e-commerce and cybersecurity technology. With the establishment of the Group's headquarters in Hangzhou, the Group has begun to explore extensively on gaining presence of mobile games and other products in the PRC market to further increase and diversify the Group's operating income.

For illustrative purposes, the financial information prepared in accordance with paragraph 7.31 of the GEM Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2021. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

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

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of Gameone Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) which has been prepared to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the 80,000,000 rights shares to be issued (the “**Rights Issue**”) had been completed on 31 December 2021. The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the consolidated net assets of the Group as at 31 December 2021 as extracted from the published annual report of the Company for the year ended 31 December 2021 which was issued by another auditor on 29 March 2022 and is adjusted for the effect of the Rights Issue as if the Rights Issue had been completed on 31 December 2021. The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the adjusted consolidated net tangible assets of the Group immediately after completion of the Rights Issue or any future date after completion of the Rights Issue.

	Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2021 <i>HK\$'000</i> <i>Note (a)</i>	Unaudited estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>Note (b)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2021 <i>HK\$'000</i>	Unaudited consolidated net tangible assets attributable to owners of the Company per Share before the completion of the Rights Issue <i>HK\$</i> <i>Note (c)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after the completion of the Rights Issue <i>HK\$</i> <i>Note (d)</i>
Based on maximum number of 80,000,000 rights shares to be issued	28,171	21,265	49,436	0.18	0.21

Notes:

- (a) The audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2021 were extracted from the audited consolidated statement of financial position of the Group as at 31 December 2021, as set out in the Company's annual report dated 29 March 2022, and were adjusted by excluding intangible assets of approximately HK\$6,481,000.
- (b) The estimated net proceeds from the Rights Issue is approximately HK\$21,265,000 which is based on 80,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.28 per Rights Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$1,135,000.
- (c) The audited consolidated net tangible assets of the Group per share attributable to the owners of the Company before the completion of the Rights Issue is determined based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2021 of approximately HK\$28,171,000 as disclosed in note (a) above, divided by 160,000,000 shares of the Company as at 31 December 2021.
- (d) Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2021 per Share immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue of approximately HK\$49,436,000 as set out in Note (b) above divided by 240,000,000 Shares which represents the sum of 160,000,000 Shares in issue as set out in Note (c) and 80,000,000 Rights Shares to be issued, assuming that no outstanding share options of the Company will be exercised.
- (e) Save as disclosed above, no other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2021.

The following is the text of a report received from the reporting accountant, Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



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**(B) INDEPENDENT REPORTING ACCOUNTANT'S 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 unaudited pro forma financial information of Gameone Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) consists of the unaudited pro forma statement of consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2021 and related notes as set out in Part A of Appendix II to the prospectus dated 6 July 2022 (the “**Prospectus**”) issued by the Company in connection with the proposed rights issue on the basis of one right share for every two shares of the Company (the “**Rights Issue**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's consolidated net tangible assets attributable to owners of the Company as at 31 December 2021 as if the Rights Issue had taken place at 31 December 2021. As part of this process, information about the Group's consolidated financial position as at 31 December 2021 has been extracted by the Directors from the audited consolidated financial statements of the Company for the year ended 31 December 2021, as set out in the annual report of the Company for the year ended 31 December 2021, dated 29 March 2022, on which an auditor's report, which was issued by another auditor, 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 Rule 7.31 of the Rules Governing the Listing of Securities on the 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 Circulars* (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* issued by the HKICPA and according maintains a comprehensive system of quality control including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’ s Responsibilities

Our responsibility is to express an opinion, as required by Rule 7.31(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 accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with Rule 7.31 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 Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction 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 event or transaction at 31 December 2021 would have been as presented.

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 accountant's judgement, having regard to the reporting accountant's 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 purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 7.31(1) of the GEM Listing Rules.

Moore Stephens CPA Limited
Certified Public Accountants

Leung Yu Ngong
Practising Certificate Number: P06734
Hong Kong

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 full acceptance of the Rights Issue and 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>1,000,000,000</u>	Shares of HK\$0.01 each	<u>10,000,000</u>

Issued and fully paid-up:

<u>160,000,000</u>	Shares of HK\$0.01 each	<u>1,600,000</u>
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ii. immediately after completion of the Rights Issue:

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.01 each	<u>10,000,000</u>

Issued and fully paid-up:

<u>240,000,000</u>	Shares of HK\$0.01 each	<u>2,400,000</u>
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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 Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

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 INTEREST

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 Yi (“ Mr. Liu ”) <i>(Chairman and Chief Executive Officer) (Note)</i>	Interest of controlled corporation	66,787,235	41.74%
Mr. Huang Jianying (“ Mr. Huang ”)	Beneficial owner	24,707,000	15.44%

Note: Topliu Limited is wholly owned by Mr. Liu. As at the Latest Practicable Date, Topliu Limited holds 66,787,235 Shares, representing approximately 41.74% 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 and other persons' 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 the Company
Topliu Limited	Beneficial owner	66,787,235	41.74%
Ms. Sun Li (<i>Note 1</i>)	Interest of spouse	24,707,000	15.44%
Nineyou International Limited (<i>Note 2</i>)	Beneficial owner	18,367,182	11.48%
Million Treasure Limited (<i>Note 2</i>)	Interest in controlled corporation	18,367,182	11.48%
Heartland Investment Limited (<i>Note 2</i>)	Interest in controlled corporation	18,367,182	11.48%
Mr. Zhang Yeyuan	Beneficial owner	8,580,000	5.36%

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 82.35% 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 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. DIRECTORS’ SERVICE CONTRACTS

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)).

5. 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 2021 (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.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders of the Company 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.

7. 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.

8. 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
Moore Stephens CPA Limited	Certified Public Accountant

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 2021 (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.

9. MATERIAL CONTRACTS

Save for the Underwriting Agreement and the Irrevocable Undertakings, no contract (not being contract(s) entered into in the ordinary course of business carried on or intended to be carried on by the Group) was entered into by the members of the Group during two years preceding the date of the Announcement and up to the Latest Practicable Date.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office	PO Box 309, Ugland 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 office	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Principal banks	Hang Seng Bank The Hongkong and Shanghai Banking Corporation Limited The Shanghai Commercial & Saving Bank, Ltd.
Auditors	BDO Limited Certified Public Accountants 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Legal adviser to the Company in relation to the Rights Issue	<i>As to Hong Kong law</i> Bird & Bird 6/F, The Annex Central Plaza 18 Harbour Road Wanchai, Hong Kong
Financial adviser to the Company	Innovax Capital Limited Room 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. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT**Executive Directors**

Mr. Liu Yi (“Mr. Liu”), aged 38, was appointed as an executive Director on 16 December 2021, and appointed as the chairman of the Board and the chief executive officer of the Group 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 the chairman of the nomination committee of the Company (the “**Nomination Committee**”). Mr. Liu is also a director of certain subsidiaries of our 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 limited company engaged in property management and development of commercial and office buildings in Hangzhou, the PRC. From 9 February 2021 to 28 March 2022, Mr. Liu was 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 53, 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 a director 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 PRC.

Independent non-executive Directors

Ms. Ngo Mei Kwan (“Ms. Ngo”), aged 42, was appointed as an independent non-executive Director on 7 January 2022. She is responsible for supervising and providing independent judgement to the Board. Ms. Ngo is the chairman of the remuneration committee of the Company (the “**Remuneration Committee**”) and a member of each of the audit committee of the Company (the “**Audit Committee**”) and the Nomination Committee.

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 human resources and administration director in September 2019.

Mr. Jin Baiting (“Mr. Jin”) (formerly named: Jin Jing (金京)), aged 39, 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 is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

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 PRC 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 is the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee.

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 35, was appointed as the company secretary and authorized representative of the Company 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 10 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.

12. 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 “11. 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.

13. 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\$1.1 million, subject to the final subscription.

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 (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “8. 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 Moore Stephens 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 “8. Expert and Consent” in this Appendix;
- (iii) the Irrevocable Undertakings; and
- (iv) the Underwriting Agreement.

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.