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GAMEONE HOLDINGS LIMITED

智傲控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8282)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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

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

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

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

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated results of the Group for the three months ended 31 March 2023, together with the unaudited comparative figures for the corresponding period in 2022 as follows:

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

For the three months ended 31 March 2023

	<i>Notes</i>	Three months ended	
		2023	2022
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	5	29,493	18,893
Cost of services rendered		<u>(23,645)</u>	<u>(9,361)</u>
Gross profit		5,848	9,532
Other income	5	753	89
Selling expenses		(2,722)	(5,662)
Administrative expenses		(7,467)	(4,718)
Finance cost		<u>(14)</u>	<u>(5)</u>
Loss before income tax		(3,602)	(764)
Income tax expense	6	<u>—</u>	<u>—</u>
Loss for the period		<u>(3,602)</u>	<u>(764)</u>
Other comprehensive (expenses) income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of financial statements of foreign operations		<u>(369)</u>	<u>491</u>
Other comprehensive (expenses) income for the period		<u>(369)</u>	<u>491</u>
Total comprehensive expenses for the period attributable to owners of the Company		<u><u>(3,971)</u></u>	<u><u>(273)</u></u>
Loss per share	8		
— Basic and Diluted			
(expressed in HK cents per share)		<u><u>(1.50)</u></u>	<u><u>(0.48)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
(Unaudited)						
At 1 January 2022	1,600	41,129	71,458	(704)	(78,831)	34,652
Loss for the period	-	-	-	-	(764)	(764)
Exchange difference on translation of financial statements of foreign operations	-	-	-	491	-	491
Other comprehensive income for the period	-	-	-	491	-	491
Total comprehensive income for the period	-	-	-	491	(764)	(273)
At 31 March 2022	<u>1,600</u>	<u>41,129</u>	<u>71,458</u>	<u>(213)</u>	<u>(79,595)</u>	<u>34,379</u>
(Unaudited)						
At 1 January 2023	2,400	61,680	71,458	(1,000)	(89,959)	44,579
Loss for the period	-	-	-	-	(3,602)	(3,602)
Exchange difference on translation of financial statements of foreign operations	-	-	-	(369)	-	(369)
Other comprehensive expenses for the period	-	-	-	(369)	-	(369)
Total comprehensive expenses for the period	-	-	-	(369)	(3,602)	(3,971)
At 31 March 2023	<u>2,400</u>	<u>61,680</u>	<u>71,458</u>	<u>(1,369)</u>	<u>(93,561)</u>	<u>40,608</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

1. GENERAL INFORMATION

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

The Company's shares were listed on GEM of the Stock Exchange since 13 January 2016.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are to provide software services in the PRC and engage in development, operation, publishing and distribution of online and mobile games in Hong Kong Special Administrative Region of the PRC ("**Hong Kong**") and other countries and regions.

In the opinion of the Directors, the Company's parent and ultimate is Topliu Limited, a company incorporated in the British Virgin Islands (the "**BVI**").

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements for the three months ended 31 March 2023 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure required by the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 31 March 2023 are consistent with those adopted in the Group's audited annual report dated 21 March 2023 (the "**2022 Annual Report**"), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "**New and Revised HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the three months ended 31 March 2023 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the three months ended 31 March 2023.

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

The preparation of these unaudited condensed consolidated financial statements requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this unaudited condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2022 Annual Report. The unaudited condensed consolidated financial statements for the three months ended 31 March 2023 have been prepared under the historical cost convention.

The unaudited condensed consolidated financial statements for the three months ended 31 March 2023 are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Group.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2022 Annual Report.

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

3. CHANGES IN HKFRSS

Application of new and amendments and interpretation to HKFRSS

In the current period, the Group has applied, for the first time, the following new and amendments and interpretation to HKFRSS issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's unaudited condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment. For the three months ended 31 March 2023, the executive directors regularly review revenue and operating results, and divided into two reportable operating segments.

The Group identifies two segments as follows:

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

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

	Three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
Segment revenue:		
Software Service Business	17,191	4,875
Game Business	12,302	14,018
	<u>29,493</u>	<u>18,893</u>
Total	<u>29,493</u>	<u>18,893</u>
	Three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
Segments results — operating loss:		
Software Service Business	(634)	(34)
Game Business	(2,954)	(725)
	<u>(3,588)</u>	<u>(759)</u>
Total	<u>(3,588)</u>	<u>(759)</u>

Geographical information

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

	Three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
By country/region		
PRC	17,191	4,875
Hong Kong (place of domicile)	11,467	13,145
Others	835	873
	<u>29,493</u>	<u>18,893</u>

Information about major customers

For the three months ended 31 March 2023, there were two customers (2022: none) which individually contributed over 10% of the Group's total revenue. During the three months ended 31 March 2023 and 2022, the revenue contributed from each of these customers was as follows:

	Three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
Customer A	9,181	–
Customer B	5,401	–
	<u>14,582</u>	<u>–</u>

5. REVENUE AND OTHER INCOME

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

	Three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
Software service income	17,191	4,875
Game operation income	11,579	13,294
Game publishing income	49	105
Royalty income	536	474
License fee income	138	145
	<u>29,493</u>	<u>18,893</u>
Other income		
Other income	753	89
	<u>30,246</u>	<u>18,982</u>

6. INCOME TAX EXPENSE

No provision for PRC Enterprise Income Tax was made as the Group has not generated any tax assessable profits in the PRC for respective periods.

No Profits Tax for the Taiwan branch has been provided as the Taiwan branch has not generated any tax assessable profits in Taiwan for respective periods.

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

7. DIVIDENDS

No dividends have been paid or declared by the Company or any of the subsidiaries during the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to the owners of the Company and on the basis of 240,000,000 ordinary shares (2022: 160,000,000 ordinary shares) in issue.

The number of shares for the purposes of basic loss per share for the three months ended 31 March 2023 has been adjusted for the Rights Issue completed on 28 July 2022.

Diluted loss per share is of the same amount as the basic loss per share as there were no potential dilutive ordinary shares outstanding as at 31 March 2023 (2022: same).

9. EVENT AFTER THE END OF REPORTING PERIOD

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

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.

For the three months ended 31 March 2023, the Group recorded a net loss of approximately HK\$3.6 million as compared to a net loss of approximately HK\$0.8 million for the same period in 2022.

During the three months ended 31 March 2023, we allocate more resources in the internet live broadcasting E-commerce advertisement technical service as there is a wide market and high demand in the PRC. Many traditional E-commerce companies are suffering from the lack of knowledge and experience in selling products via internet live broadcasting. The internet live broadcasting E-commerce advertisement technical service has become a must have in the year of 2023 and afterward.

Furthermore, we closely monitor the performance of the Group and the Group will continue to pursue the key business strategies to expand its game portfolio through introducing more high-quality licensed games with a focus on mobile games, to consolidate market position and enhance marketing efforts.

FINANCIAL REVIEW

Revenue

The Group's revenue was approximately HK\$29.5 million for the three months ended 31 March 2023 representing an increase of approximately 56.1% from approximately HK\$18.9 million for the corresponding period in 2022, which was primarily attributable to an increase in software service in PRC.

Cost of services rendered

The Group's cost of services rendered for the three months ended 31 March 2023 was approximately HK\$23.6 million, representing a significant increase of approximately 151.1% from approximately HK\$9.4 million for the corresponding period in 2022, primarily attributable to an increase in software service cost during the three months ended 31 March 2023.

Gross profit and gross profit margin

The group's gross profit for the three months ended 31 March 2023 was approximately HK\$5.8 million, representing a decrease of approximately 38.9% from approximately HK\$9.5 million for the three months ended 31 March 2022. The group's gross profit margin for the three months ended 31 March 2023 was 19.8%, representing a decrease of approximately 30.7 percentage points from approximately 50.5% for the three months ended 31 March 2022. The decrease in gross profit and gross profit margin was mainly attributed to (i) approximately 12.2% decrease in the group's game operation income from game business in Hong Kong; (ii) an increase in amortization of intangible assets and labor cost for the three months ended 31 March 2023 due to the impact of the game "New Dragon Tiger Gate" launched in November 2022, resulting in an increase of approximately 15.5% in service cost for the game business in Hong Kong as compared to the corresponding period in 2022; and (iii) the gross profit margin of software service for the three months ended 31 March 2023 was approximately 17.4% which lowered down the Group's overall gross profit margin.

Selling expenses

The Group's selling expenses for the three months ended 31 March 2023 were approximately HK\$2.7 million, representing a decrease of approximately 52.6% from approximately HK\$5.7 million for the corresponding period in 2022, primarily attributable to a decrease in promotion and advertising expenses.

Administrative expenses

The Group's administrative expenses for the three months ended 31 March 2023 were approximately HK\$7.5 million, representing an increase of approximately 59.6% from approximately HK\$4.7 million for the corresponding period in 2022, primarily attributable to an increase in legal and professional fees during the three months ended 31 March 2023.

Loss for the period

The Group recorded a loss for the three months ended 31 March 2023 of approximately HK\$3.6 million as compared with a loss of approximately HK\$0.8 million for the corresponding period in 2022, primarily attributable to (i) a decrease in the Group's game operation income from game business in Hong Kong by approximately 12.2%; and (ii) an increase of approximately 59.6% in the administrative expense (mainly legal and professional fees) as compared to the corresponding period in 2022.

DIVIDENDS

The Board does not recommend the payment of dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2023, 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</i>) (Note)	Interest of controlled corporation	95,257,854	39.69%
Mr. Huang Jianying (“ Mr. Huang ”)	Beneficial owner	40,477,501	16.87%

Notes:

Topliu Limited is wholly owned by Mr. Liu. 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 31 March 2023, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors or chief executives of the Company, as at 31 March 2023, 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	95,257,854	39.69%
Ms. Sun Li (<i>Note 1</i>)	Interest of spouse	40,477,501	16.87%
Nineyou International Limited (<i>Note 2</i>)	Beneficial owner	18,367,182	7.65%
Million Treasure Limited (<i>Note 2</i>)	Interest in controlled corporation	18,367,182	7.65%
Heartland Investment Limited (<i>Note 2</i>)	Interest in controlled corporation	18,367,182	7.65%

Notes:

- (1) Ms. Sun Li is the spouse of Mr. Huang. By virtue of the SFO, Ms. Sun Li is deemed to be interested in the Shares in which Mr. Huang is interested.
- (2) Based on the information provided by Nineyou International Limited (“NYIL”), NYIL is beneficially owned by Heartland Investment Limited as to approximately 44.44%, Wollerton Investments Pte. Ltd. as to approximately 18.96%, Fair Gold International Limited as to approximately 15.61%, Everstar Overseas Holding Ltd. as to approximately 10.04%, Star Fortune Overseas Holding Limited as to approximately 8.0% and Hongxin International Holdings Limited as to approximately 2.95%, all of whom are independent third parties. Wollerton Investments Pte. Ltd. is owned as to approximately 82.36% by Heartland Investment Limited. Heartland Investment Limited is wholly owned by Million Treasure Limited which is also an independent third party.

Save as disclosed above, as at 31 March 2023, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debenture of the Company” above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisitions or disposals during the three months ended 31 March 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the three months ended 31 March 2023, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or any of its respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group during the three months ended 31 March 2023.

DIRECTORS' SECURITIES TRANSACTIONS

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

CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code during the three months ended 31 March 2023 and up to the date of this announcement except for the below deviation. Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Liu was the chief executive officer (the “**Chief Executive Officer**”) and the chairman of the Board (the “**Chairman**”), the Company has deviated from this Code. However, the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in Mr. Liu has the benefit of ensuring consistent and continuous planning and execution of the Company’s strategies. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise decision-making process and allows for prompt response to the fast-changing business environment and a more efficient management and implementation of business process. The Board also considers that vesting the two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group’s business strategies and is beneficial to the Group.

SUFFICIENCY OF PUBLIC FLOAT

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

SHARE OPTION SCHEME

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

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

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

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

For the three months ended 31 March 2023, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Scheme.

AUDIT COMMITTEE

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

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

The Audit Committee has reviewed the unaudited consolidated results of the Group for the three months ended 31 March 2023 with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 5 May 2023

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

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