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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

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**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2024, together with the audited comparative figures for the preceding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Revenue	5	37,298	108,816
Cost of services rendered		<u>(27,217)</u>	<u>(94,728)</u>
Gross profit		10,081	14,088
Other income	6	384	5,027
Other losses	6	(44)	(5,637)
Selling expenses		(1,483)	(17,906)
Administrative expenses		(10,722)	(28,448)
Finance cost	7	<u>(29)</u>	<u>(43)</u>
Loss before tax	7	(1,813)	(32,919)
Income tax expense	8	<u>(143)</u>	<u>—</u>
Loss for the year		<u>(1,956)</u>	<u>(32,919)</u>
Other comprehensive expenses			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>(216)</u>	<u>(156)</u>
Total comprehensive expenses for the year		<u>(2,172)</u>	<u>(33,075)</u>
Loss for the year attributable to:			
— Owners of the Company		(1,607)	(32,483)
— Non-controlling interests		<u>(349)</u>	<u>(436)</u>
		<u>(1,956)</u>	<u>(32,919)</u>
Total comprehensive expenses for the year attributable to:			
— Owners of the Company		(1,823)	(32,639)
— Non-controlling interests		<u>(349)</u>	<u>(436)</u>
		<u>(2,172)</u>	<u>(33,075)</u>
		HK cents	HK cents
Loss per share	10		
— Basic		<u>(4.52)</u>	<u>(128.40)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		826	684
Intangible assets		10,168	9,057
Right-of-use assets		1,036	1,120
		12,030	10,861
Current assets			
Trade receivables	<i>11</i>	3,384	1,472
Prepayments, deposits and other receivables	<i>12</i>	6,146	7,688
Cash and cash equivalents		5,888	4,744
		15,418	13,904
Current liabilities			
Trade payables	<i>13</i>	–	438
Other payables and accruals	<i>14</i>	2,150	3,447
Contract liabilities	<i>14</i>	1,567	6,499
Amounts due to directors		266	2,800
Taxation payable		77	77
Lease liabilities		250	–
		4,310	13,261
Net current assets		11,108	643
Total assets less current liabilities		23,138	11,504
Non-current liability			
Lease liabilities		261	–
Net assets		22,877	11,504
Capital and reserves			
Share capital		3,800	2,400
Reserves		19,862	9,540
Equity attributable to owners of the Company		23,662	11,940
Non-controlling interests		(785)	(436)
Total equity		22,877	11,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE INFORMATION

The Company was incorporated in Cayman Islands with limited liability under the Companies Law of Cayman Islands on 14 April 2010. The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 January 2016. In the opinion of the directors, the Company's parent and ultimate holding company is Topliu Limited, a company incorporated in the British Virgin Islands (the "**BVI**"). The address of the registered office and principal place of business of the Company are No. 552 Xuehai Road, Nanyuan, Linping District, Hangzhou City, Zhejiang Province, the People's Republic of China and Room 907, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are engaged in development, operation, publishing and distribution of online and mobile games in Hong Kong and other countries and regions; and providing internet security technical service and big data related analysis service to the customers in the People's Republic of China (the "**PRC**").

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). These consolidated financial statements are presented in Hong Kong dollars ("**HK\$**") which is the Company's functional and presentation currency, and all value are rounded to the nearest thousand HK\$ except where otherwise indicated.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other and new other amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The directors, at the time of approving the consolidated financial statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below. The measurement bases are fully described in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”) has been identified collectively as the executive directors of the Company. An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment.

During the year ended 31 December 2024, the Group commenced the business engaging in the provision of trading agent service. It is considered as a new operating and reportable segment by the CODM and resulted in changes to the composition of its reportable segments. The executive directors regularly review revenue and operating results derived from the following businesses and no other discrete financial information is reported to executive directors:

- 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;
- 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
- Trading Agent Services, which is primarily involved in acting as an intermediary between buyers and suppliers and receiving service fees on a commission basis.

Reportable segment revenue and results

	For the year ended 31 December 2024			
	Software Service Business HK\$'000	Game Business HK\$'000	Trading Agent Services HK\$'000	Total HK\$'000
Segment revenue	<u>28,461</u>	<u>8,837</u>	<u>–</u>	<u>37,298</u>
Segment profit (loss)	<u>5,619</u>	<u>(6,474)</u>	<u>(160)</u>	<u>(1,015)</u>
Unallocated other income				297
Unallocated expenses				(1,066)
Finance cost				<u>(29)</u>
Loss before taxation				<u>(1,813)</u>
Other segment information				
Amortisation of intangible assets	1,992	624	–	2,616
Depreciation for the year	117	73	–	190
Finance cost	<u>29</u>	<u>–</u>	<u>–</u>	<u>29</u>

	For the year ended 31 December 2023		
	Software	Game	
	Service	Business	Total
	Business	Business	
	HK\$'000	HK\$'000	HK\$'000
Segment revenue	<u>67,374</u>	<u>41,442</u>	<u>108,816</u>
Segment loss	<u>(2,409)</u>	<u>(26,813)</u>	<u>(29,222)</u>
Unallocated other income			1,137
Unallocated expenses			(4,791)
Finance cost			<u>(43)</u>
Loss before taxation			<u>(32,919)</u>
Other segment information			
Amortisation of intangible assets	847	8,793	9,640
Depreciation for the year	357	25	382
Finance cost	<u>–</u>	<u>43</u>	<u>43</u>

Reportable segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information

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

The Group's revenue information is presented based on the location of operation are detailed below.

	2024	2023
	HK\$'000	HK\$'000
Revenue — By country/region		
PRC	28,229	67,374
Hong Kong	9,069	40,296
Taiwan	<u>–</u>	<u>1,146</u>
	<u>37,298</u>	<u>108,816</u>

The Group's information about its non-current assets is presented based on the location of operation are detailed below.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets — By country/region		
PRC	9,948	9,183
Hong Kong	2,082	1,678
	<u>12,030</u>	<u>10,861</u>

Information about major customers

The revenue generated from the Group's Software Service Business which individually contributed 10% or more of the Group's total revenue during the years ended 31 December 2024 and 2023 is set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A (<i>note</i>)	N/A	34,328
Customer B	16,493	14,710
Customer C (<i>note</i>)	N/A	11,477

Note:

The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2024.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

(i) *The Group derives revenue from the transfer of goods and services by categories of major product lines and business*

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
<i>From Game Business</i>		
— Game operation income	8,837	40,170
— Game publishing income	—	330
— Royalty income	—	805
— License fee income	—	137
	<u>8,837</u>	<u>41,442</u>
<i>From Software Service Business</i>		
— Software service income		
— Point in time	27,732	67,374
— Over time	729	—
	<u>28,461</u>	<u>67,374</u>
	<u><u>37,298</u></u>	<u><u>108,816</u></u>

(ii) *The Group derives revenue from the transfer of goods and services by timing of revenue recognition*

The Group recognises the operating income from:

- (1) Revenue from game operation income attributable to durable in-game virtual items rateably over the Player Relationship Period of the paying players;
- (2) Revenue from game publishing income attributable to consumable in-game virtual items at point in time when the items are consumed and the related services are rendered;
- (3) Revenue from royalty income for the licensing arrangement is recognised in accordance with the terms of the agreement. The sales-based royalty is recognised based on the revenue from the license game;
- (4) Revenue from license fee income are recognised on a straight-line basis over the period of the license agreement; and
- (5) Revenue from software service income regarding the provision of software services is recognised at a point in time when the services are completed.

For certain contracts involving ongoing service commitments, revenue is recognised on a straight-line basis over the service period as the Group satisfies its performance obligations.

(b) Contract balances

		As at 31 December 2024	2023	As at 1 January 2023
	Notes	HK\$'000	HK\$'000	HK\$'000
Trade receivables	11	<u>3,384</u>	<u>1,472</u>	<u>4,349</u>
Contract liabilities	14			
— Receipt in advance		1,303	232	206
— Deferred income		<u>264</u>	<u>6,267</u>	<u>10,109</u>
		<u>1,567</u>	<u>6,499</u>	<u>10,315</u>

Information about the Group's trade receivables and contract liabilities are set out in notes 11 and 14, respectively.

(c) Performance obligations for contracts with customers and revenue recognition policies

The Group principally engages in (i) Game Business, which comprise of: (a) Revenue generated from operations of online and mobile games; (b) Revenue generated from game publishing services; (c) Revenue generated from licensing and royalty income; (ii) Software Service Business, revenue mainly generated from provision of software services and (iii) Trading agent services.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities.

The Group recognises revenue when the significant risks and rewards of ownership of any goods and services have been transferred, and the Group's performance obligations for contracts with customers and revenue recognition policies are as follows:

(i) Revenue generated from operations of online and mobile games

The Group recognises revenue from durable in-game virtual items rateably over the Player Relationship Period (as defined and described below).

The Group operates both self-developed games and games licensed from third party game developers. The Group's games are free to play. Players can purchase game credits which are virtual currency for acquisition of in-game virtual items or purchase those in-game virtual items directly for better in-game experience. The Group sells prepaid game credits and in-game virtual items through its own game platform (the "GO Platform") and cooperation with various third party game distribution platforms and payment channels. These game distribution platforms include major online application stores (such as Apple Inc.'s App Store and Google Play installed in mobile telecommunications devices).

The Group has evaluated the respective roles and responsibilities of the Group, third-party game developers, third-party distribution platforms, third-party payment channels and third-party prepaid game credit distributors in the delivery of game experiences to the paying players (“**Paying Players**”) in determining if the Group is acting as a principal or as an agent in the arrangement, and therefore if the Group’s revenue from such arrangement should be reported on a gross or net basis, by assessing various factors, including but not limited to whether the Group (i) identify the specified goods or services to be provided to the customer and has the primary responsibility in the arrangement; (ii) assess whether it controls each specified good or service before that good or service is transferred to the customer; (iii) has latitude in establishing the selling prices; and (iv) has involvement in the determination of product and services specification.

The Group takes primary responsibilities in the delivery of game experiences to the Paying Players, including the marketing and promotion, determining distribution and payment channels, hosting game servers and providing customer services. In addition, the Group also controls game and service specifications and pricing of the in-game virtual items. Therefore, the Group considers itself the principal in the delivery of game experience to the Paying Players as the Group has the primary responsibility in the arrangement and latitude in establishing the selling price and thus records revenues on a gross basis. Payment to third-party game developers and service charges by third-party distribution platforms and third-party payment channels are recorded as cost of services rendered.

As the Group has determined that it is the principal in the delivery of game experience to the Paying Players, the Paying Players are identified by the Group to be its customers. Accordingly, the Group considers the actual price paid by the Paying Players to be the gross amount of revenue. In determining the gross amount of revenue generated from operations of the Group’s games, the Group makes estimates of the discounts given to the Paying Players by the third-party distribution platforms and third-party prepaid game credit distributors (the discounts are borne by these third-party distribution platforms and third-party prepaid game credit distributors) based on available information and recorded such discounts as a deduction of revenue.

Paying Players purchase the game credits through the GO Platform and third-party distribution platforms’ charging systems or through the Paying Players’ accounts maintained with third party payment channels, or charging from the prepaid game credits they purchased. Third-party distribution platforms and third party payment channels collect the payment from the Paying Players and remit the cash net of commission charges which are pre-determined according to the relevant terms entered into between the Group and the third-party distribution platforms or third party payment channels.

Upon the sales of game credits or in-game virtual items, the Group typically has an implied obligation to provide the services which enable the game credits or in-game virtual items to be displayed, used or converted into other in-game virtual currencies/items in the games. As a result, the proceeds received from sales of game credits or in-game virtual items are initially recorded as contract liabilities in current liabilities. The attributable portion of the contract liabilities relating to values of the game credits consumed and in-game virtual items converted are immediately or rateably recognised as revenue only when the services are rendered to the respective Paying Players.

For the purposes of determining when services have been provided to the respective Paying Players, the Group has determined the following:

Consumable in-game virtual items represent items that are extinguished after consumption by a specific game player action. The Paying Players will not continue to benefit from the in-game virtual items thereafter. Revenue is recognised (as a release from contract liabilities) when the items are consumed and the related services are rendered.

Durable in-game virtual items represent items that are accessible and beneficial to Paying Players over an extended period of time. Revenue is recognised rateably over the average life of durable in-game virtual items for the applicable game, which the Group makes best estimates to be average playing period of Paying Players (“**Player Relationship Period**”).

The Group estimates the Player Relationship Period on a game-by-game basis and re-assesses such periods semi-annually. If there is insufficient data to determine the Player Relationship Period, such as in the case of a newly launched game, the Group estimates the Player Relationship Period based on other similar types of games developed by the Group or by third-party developers until the new game establishes its own patterns and history. The Group mainly considers the Paying Players’ spending and consumption behavior in estimating the Player Relationship Period.

If the Group does not possess relevant data and information to differentiate revenue attributable to durable in-game virtual items from consumable in-game virtual items for a specific game, the Group recognises revenue for that game rateably over the Player Relationship Period (i.e. recognises revenue over time).

(ii) Revenue generated from game publishing services

The Group provides publishing services through cooperation with other third party game developers or operators. The Group publishes these games on its own GO Platform.

The Group’s game publishing revenue is pre-determined according to the relevant terms of the agreements entered into between the Group and the third party game developers or operators. The games published on the GO Platform are hosted, maintained, operated and updated independently by the third party game developers or operators. The Group mainly provides the Paying Players with access to the GO Platform.

The Group has evaluated and determined that it is not the primary obligor in the services rendered and is therefore, acting as an agent in publishing these games. Accordingly, the Group recognises its revenue, net of the portion of sharing of revenue with the third party game developers or operators when the Paying Players purchase the game credits for the relevant games (i.e. recognises revenue at a point in time).

(iii) Revenue generated from licensing and royalty income

The Group licenses online and mobile games and other intellectual rights to third parties. Any fixed upfront licensing fee is recognised on a straight-line basis over the period of the license agreement. Royalty income from the licensing arrangements is recognised in accordance with the terms of agreements. The sales-based royalty is recognised based on the revenue from the license game.

(iv) Revenue generated from provision of software services

Revenue from the provision of software services is generally recognised at a point in time, as the customer does not obtain control of the services until they are fully completed and delivered. The Group does not have an enforceable right to payment for performance completed to date, and customers can only benefit from the services once all contractual obligations are fulfilled. Revenue is recognised when the final job confirmation form is signed, indicating the customer's formal acceptance of the completed services.

For certain contracts, customers are required to make advance payments covering a specified service period, typically one year. These advance payments are initially recorded as contract liabilities and subsequently recognised as revenue on a straight-line basis over the service period as the Group satisfies its performance obligations. The contracts specify the agreed scope of work, resources to be utilised, and pricing terms. Customers are typically required to make payment upon acceptance of the completed services or in accordance with the agreed billing schedule.

(v) Revenue generated from trading agent services

The Group acts as an intermediary between buyers and suppliers. Revenue is recognised at point in time when the Group satisfies its performance obligations and when the commission or services fee become due and collectable.

(vi) Others

Interest income

Interest income is accrued on a time proportion basis on the principal outstanding at the applicable interest rate under effective interest method.

6. OTHER INCOME AND OTHER LOSSES

	2024 HK\$'000	2023 HK\$'000
Other income comprises:		
Interest income	37	445
Government grants (note below)	87	741
Refund of long service payments	–	3,149
Gain on disposal of financial assets	–	32
Sundry income	260	660
	<u>384</u>	<u>5,027</u>
Other losses comprises:		
Loss on disposal of property, plant and equipment	(44)	–
Impairment loss on/written off of intangible assets	–	(5,612)
Loss on early termination of lease contract	–	(25)
	<u>(44)</u>	<u>(5,637)</u>

Note: During the year ended 31 December 2024, the Group recognised government grants from the PRC Government in respect of promotion and encouragement of the Group's business of approximately RMB80,000 (equivalent to approximately HK\$87,000) (2023: approximately RMB670,000 (equivalent to approximately HK\$741,000)) and these were no unfulfilled conditions to receive such grants.

7. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Included in cost of services rendered:		
Amortisation of intangible assets	2,616	9,640
Deprecation of property, plant and equipment	26	260
Royalty expenses	4,155	8,742
Services charged by game distribution channels	622	8,808
Others	19,798	67,278
	<u>27,217</u>	<u>94,728</u>
Included in other losses:		
Loss on disposal of property, plant and equipment	44	—
Impairment loss on/written off of intangible assets	—	5,612
Loss on early termination of lease contract	—	25
	<u>—</u>	<u>5,637</u>
Included in administrative expenses:		
Auditor's remuneration	555	630
Depreciation of right-of-use assets	840	1,231
Rental expenses on short-term leases	118	441
	<u>1,513</u>	<u>2,302</u>
Included in finance cost:		
Interest expenses on lease liabilities	29	43
	<u>29</u>	<u>43</u>
Depreciation of property, plant and equipment under:		
— Cost of services rendered	26	260
— Administrative expenses	164	122
	<u>190</u>	<u>382</u>
Amortisation of intangible assets included under:		
— Cost of services rendered	2,616	9,640
— Administrative expenses	—	—
	<u>2,616</u>	<u>9,640</u>
Staff costs, excluding directors' remuneration		
— Salaries and allowances	501	18,632
— Contributions on defined contribution retirement plan	9	1,288
	<u>510</u>	<u>19,920</u>

8. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current tax	<u>143</u>	<u>–</u>

Pursuant to the income tax rule and regulations of the Cayman Islands and BVI, the Group is not subject to income tax in the respective jurisdictions.

A provision for the PRC Enterprise Income Tax is calculated at the applicable rate of 25% in accordance with the relevant laws and regulation in the PRC. Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. No provision of EIT Law for the Company’s PRC companies as the Group’s PRC companies have not generated any tax assessable profits in the PRC for both years.

A provision for Hong Kong Profits Tax is calculated at the applicable rate of 16.5% for the Group’s estimated assessable profits derived in Hong Kong. No provision for Hong Kong Profits Tax was made as the Group has not generated any tax assessable profits in Hong Kong for both years.

Reconciliation between income tax expense and accounting loss at applicable tax rate is as follows:

	2024 HK\$'000	2023 HK\$'000
Loss before tax	<u>(1,813)</u>	<u>(32,919)</u>
Tax on loss before tax, calculated at rates applicable to profits in the tax jurisdictions concerned	133	(4,668)
Tax effect of non-deductible expenses	484	1,309
Tax effect of non-taxable revenue	–	(333)
Tax effect of temporary difference not recognised	–	(169)
Tax effect of add-on deductibles on R&D expenses	(1,231)	–
Utilisation of tax losses previously not recognised	(54)	–
Tax effect of tax losses not recognised	<u>811</u>	<u>3,861</u>
Income tax expense	<u>143</u>	<u>–</u>

During the year ended 31 December 2023, the Group deregistered and closed down of its Taiwan branch and thus, the Group’s Taiwan branch unused tax losses were lapsed.

As at 31 December 2024, the Group also has tax losses arising in the PRC of approximately HK\$8,678,000 (2023: approximately HK\$1,543,000), that will expire in one to five years for offsetting against future taxable profits. No deferred tax assets have been recognised in respect of these tax losses due to the unpredictability of future profit streams.

As at 31 December 2024, excluding PRC subsidiaries, the Group has unused tax losses of approximately HK\$72,000,000 (2023: approximately HK\$67,024,000) available for offset against future taxable profits. No deferred tax assets have been recognised in respect of these tax losses due to the unpredictability of the future profit streams. These tax losses can be carried forward indefinitely.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of reporting period (2023: Nil).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company amounted to approximately HK\$1,607,000 (2023: approximately HK\$32,483,000) and on the basis of the weighted average number of approximately 35,529,000 (2023: approximately 25,298,000) ordinary shares in issue.

The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 December 2023 have been adjusted for the 2023 Share Consolidation which took place on 30 November 2023 and issue of new shares by way of 2024 Rights Issue which took place on 24 January 2024.

No diluted loss per share were presented as the Group has no dilutive potential ordinary shares in issue during the years ended 31 December 2024 and 2023.

11. TRADE RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Trade receivables	3,384	1,472

The Group normally allows credit period within 60 days to its trade debtors. As at 31 December 2024 and 2023, the Group reviews receivables for evidence of impairment on both an individual and collective basis. The directors of the Company has assessed that there is no significant increase of credit risk for trade receivables, the expected credit loss rate on trade receivables was assessed to be minimal and accordingly, no provision was made for the years ended 31 December 2024 and 2023.

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

	2024 HK\$'000	2023 HK\$'000
Not more than 30 days	3,384	1,472

The Directors consider that the carrying amounts of trade receivables approximate their fair value.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Prepayments	4,654	5,070
Prepaid royalties	–	880
Deposits	15	121
Other receivables	1,477	1,617
	6,146	7,688

13. TRADE PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<u>–</u>	<u>438</u>

The amount is mainly due to its suppliers.

As at 31 December 2024, out of the Group's trade payables, the Group has trade payables of HK\$Nil (2023: approximately HK\$401,000) aged within 30 days and the remaining balances are aged over 30 days, based on invoice date.

14. OTHER PAYABLES, ACCRUALS AND CONTRACT LIABILITIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other payables	1,382	1,178
Accruals	<u>768</u>	<u>2,269</u>
	<u>2,150</u>	<u>3,447</u>

Contract Liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Receipt in advance	1,303	232
Deferred income	<u>264</u>	<u>6,267</u>
	<u>1,567</u>	<u>6,499</u>

Typical payment terms which impact on the amount of contract liabilities are as follows:

- Receipt in advance represents the advance received from licensee and customers.
- Deferred income represents the unutilised game credit of income received in respect of in-game virtual items paid by Paying Players and software business.

The Group has also applied the practical expedient in paragraph 121(a) of HKFRS 15 to its sales contracts for electronic products such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of electronic products that had an original expected duration of one year or less.

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in prior years.

The movements of contract liabilities during the years ended 31 December 2024 and 2023 are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance as at 1 January	6,499	10,315
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(6,499)	(10,315)
Increase in contract liabilities as a result of unamortised portion of income received in respect of in-game virtual items paid by Paying Players and prepaid royalty by licensee	–	6,267
Increase in contract liabilities received in advance of services income	264	232
Increase in contract liabilities received in advance of customers	<u>1,303</u>	<u>–</u>
Balance as at 31 December	<u>1,567</u>	<u>6,499</u>

15. CAPITAL COMMITMENTS

Commitments for investment in unlisted PRC subsidiaries

Zhejiang Gameone Holding Group Limited

On 28 December 2021, the Group established a wholly owned subsidiary, Zhejiang Gameone Holding Group Limited (“**Zhejiang Gameone**”) in the PRC with registered capital of RMB50,000,000 (equivalent to approximately HK\$61,350,000) and the capital contribution shall be made to Zhejiang Gameone on or before 27 December 2070 in accordance with the memorandum of association of Zhejiang Gameone.

As at 31 December 2024, the Group has contributed approximately RMB7,056,000 (equivalent to approximately HK\$7,967,000) capital fund (2023: approximately RMB4,295,400 (equivalent to approximately HK\$5,000,000)) to Zhejiang Gameone.

AI Travel (Hangzhou) Digital Culture Technology Limited

On 23 October 2024, the Group established a subsidiary, AI Travel (Hangzhou) Digital Culture Technology Limited (“**AI Travel**”) in the PRC with registered capital of RMB2,000,000 (equivalent to approximately HK\$2,181,400) and the capital contribution shall be made to AI Travel in accordance with the memorandum of association of AI Travel.

As at 31 December 2024, the Group has contributed RMB500,000 (equivalent to approximately HK\$545,350) capital fund to AI Travel.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

For the financial year ended 31 December 2024, the Group recorded a net loss of approximately HK\$2.0 million as compared to a net loss of approximately HK\$32.9 million for the same period in 2023. The reduction in loss was mainly attributable to (i) the gross profit margin of the Group for the year ended 31 December 2024 was approximately 27.0%, an increase of approximately 14.1 percentage points compared with approximately 12.9% for the year ended 31 December 2023; (ii) the Group's selling expenses decreased by approximately 91.7% from approximately HK\$17.9 million for the year ended 31 December 2023 to approximately HK\$1.5 million for the year ended 31 December 2024; and (iii) the Group's administrative expenses decreased by approximately 62.3% from approximately HK\$28.4 million for the year ended 31 December 2023 to approximately HK\$10.7 million for the year ended 31 December 2024 resulting from the decrease in staff cost and legal and professional fee expenses.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 65.7% from approximately HK\$108.8 million for the year ended 31 December 2023 to approximately HK\$37.3 million for the year ended 31 December 2024. This was mainly attributable to the decline in revenue generated from software and technology services in the PRC.

The following table sets out a breakdown of our revenue by its type in absolute amounts and as percentage of our revenue for the periods indicated:

	For the year ended 31 December			
	2024		2023	
	HK\$'000	%	HK\$'000	%
Income from game operation and publishing	8,837	23.7	40,500	37.3
Royalty income	–	–	805	0.7
License fee income	–	–	137	0.1
Software service income	28,461	76.3	67,374	61.9
Total	37,298	100.0	108,816	100.0

During the year ended 31 December 2024, in view of the keen competition of the games business and also the expiry and termination of certain licence rights and self/co-developed games and thus, the Group's revenue from the game business was decreased from approximately of HK\$41.4 million for the year ended 31 December 2023 to approximately of HK\$8.8 million for the year ended 31 December 2024, i.e. a decrease of approximately HK\$32.6 million, representing a decrease of approximately 78.7%.

The economic downturn in Mainland China market and the weakening consumer confidence and users' willingness to pay as a result of the challenging economic conditions added pressure to the Company's operating environment and thus the number of software service framework agreements entered with customers were significantly decreased during the year ended 31 December 2024. The Group's revenue from the software service income was decreased from approximately of HK\$67.4 million for the year ended 31 December 2023 to approximately of HK\$28.5 million for the year ended 31 December 2024, i.e. a decrease of approximately HK\$38.9 million, representing a decrease of approximately 57.7%.

Cost of services rendered

The cost of services provided by the Group decreased by approximately 71.3% from approximately HK\$94.7 million for the year ended 31 December 2023 to approximately HK\$27.2 million for the year ended 31 December 2024, mainly due to the combined effects of the following: (i) a reduction of approximately HK\$37.5 million in costs related to software services in the PRC; and (ii) a decrease of approximately HK\$8.2 million in channel fees.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 28.4% from approximately HK\$14.1 million for the year ended 31 December 2023 to approximately HK\$10.1 million for the year ended 31 December 2024, mainly due to the decline in the game operation revenue of the Group's licensed mobile games.

The Group's gross profit margin for the year ended 31 December 2024 was approximately 27.0%, an increase of approximately 14.1 percentage points compared with approximately 12.9% for the year ended 31 December 2023. This was mainly attributable to the increase in the gross profit margin of the software service business from approximately 15.8% for the year ended 31 December 2023 to approximately 32.6% for the year ended 31 December 2024.

Other losses, net

The Group's other losses decreased by approximately 99.3% from approximately HK\$5.6 million for the year ended 31 December 2023 to approximately HK\$0.04 million for the year ended 31 December 2024. The amount mainly represents impairment loss recognised on/written off of intangible assets during the year ended 31 December 2023 mainly due to the performance of the Group's game operation from licensed mobile games had not matched the anticipation of the management and some of the licensed mobile games were terminated and could not be launched in 2023. No such impairment loss has been recognised during the current year.

Selling expenses

The Group's selling expenses decreased by approximately 91.7% from approximately HK\$17.9 million for the year ended 31 December 2023 to approximately HK\$1.5 million for the year ended 31 December 2024, mainly due to the reduction in the Group's advertising expenses.

Administrative expenses

The Group's administrative expenses decreased by approximately 62.3% from approximately HK\$28.4 million for the year ended 31 December 2023 to approximately HK\$10.7 million for the year ended 31 December 2024. This was mainly attributable to the reduction in staff cost and legal and professional fee expenses.

Loss for the year

The Group recorded a loss for the year ended 31 December 2024 of approximately HK\$2.0 million as compared with a loss of approximately HK\$32.9 million for the year ended 31 December 2023, primarily attributable to (i) the Group's gross profit margin for the year ended 31 December 2024 was approximately 27.0%, an increase of approximately 14.1 percentage points compared with approximately 12.9% for the year ended 31 December, 2023; (ii) the Group's selling expenses decreased by approximately 91.7% from approximately HK\$17.9 million for the year ended 31 December 2023 to approximately HK\$1.5 million for the year ended 31 December 2024; and (iii) the Group's administrative expenses decreased by approximately 62.3% from approximately HK\$28.4 million for the year ended 31 December 2023 to approximately HK\$10.7 million for the year ended 31 December 2024 resulting from the decrease in staff cost and legal and professional fee expenses.

CAPITAL STRUCTURE

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

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

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

On 26 November 2024, the number of issued share capital of the Company increased to 38,000,000 shares of the Company as a result of the completion of placing of new shares under general mandate (the “**Placing**”). For details of the Placing, please refer to the announcement of the Company dated 6 November 2024 (the “**Placing Announcement**”).

As of 31 December, 2024, the issued share capital of the Company was HK\$3.8 million, and the number of its issued ordinary shares was 38,000,000, with a par value of HK\$0.1 per share.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

We financed our operations primarily through cash generated from our operating activities. During the year ended 31 December 2024, we did not have any bank borrowings. As at 31 December 2024, we had cash and cash equivalents of approximately HK\$5.9 million (31 December 2023: approximately HK\$4.7 million), which were cash at banks and on hand. No banking facility has been arranged by our Group during the year ended 31 December 2024.

On 24 January 2024, the Company completed the 2024 Rights Issue and obtained net proceeds of approximately HK\$12.2 million.

On 26 November 2024, the Company completed the Placing and obtained net proceeds of approximately HK\$1.0 million.

For details, please refer to the section “Use of Net Proceeds” below.

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

USE OF NET PROCEEDS

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

price of HK\$1.03 per share as quoted on the Stock Exchange on the date of announcement of the 2024 Rights Issue on 21 November 2023. The net subscription price was approximately HK\$1.02 per Rights Share. The reasons for the 2024 Rights Issue were to raise funds for (i) the development and operation for the cybersecurity business; (ii) general working capital; and (iii) expansion of manpower to support the business development of the Group.

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

From the completion of the 2024 Rights Issue to the date of 31 December 2024, the net proceeds from the 2024 Rights Issue of the Company had been applied as follows:

	Planned use of proceeds as stated in the Rights Issue Prospectus <i>HK\$'million</i>	Actual use of proceeds up to the date of 31 December 2024 <i>HK\$'million</i>
(1) Development and operation for the cybersecurity business including but limited to leasing of computer hardware (such as server) and computing power	6.1	6.1
(2) General working capital of the Group		
(a) Settlement of legal and professional fees	2.0	2.0
(b) Miscellaneous expenses	1.3	1.3
(c) Independent non-executive Directors' remuneration	0.4	0.4
(3) Expansion of manpower to support the business development of the Group	2.4	2.4
	<u>12.2</u>	<u>12.2</u>

Up to 31 December 2024, the net proceeds from the 2024 Rights Issue have been applied in the manner set out in the disclosure in the Rights Issue Prospectus.

On 6 November 2024, the Company announced its proposal to raise approximately HK\$1.1 million (before deducting expenses of approximately HK\$0.1 million) through a placing by issuing 2,000,000 placing shares (which, when fully paid, shall rank pari passu with the ordinary shares) to no less than six Placees at a price of HK\$0.55 per placing share (the “**Placing Share(s)**”). The net price per Placing Share was approximately HK\$0.51. The Placing was completed on 26 November 2024. A total of

2,000,000 Placing Shares were issued, accounting for approximately 5.3% of the Company's issued share capital (as enlarged by the allotment and issue of the Placing Shares). After the completion of the Placing, the number of the Company's issued share capital increased to 38,000,000 Shares. The total par value of the Placing Shares was HK\$1,200,000. The subscription price of the Placing Shares represented a discount of approximately 12.14% to the average closing price of HK\$0.626 per Share as reported on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the placing agreement. The reason for the Placing was to raise funds for general working capital.

As disclosed in the Placing Announcement, the total proceeds from the Placing were approximately HK\$1.1 million, and the net proceeds (after deducting relevant expenses) were approximately HK\$1.0 million.

From the completion of the Placing to 31 December 2024, the net proceeds from the Placing of the Company had been applied as follows:

	Planned use of proceeds as stated in the Placing Announcement <i>HK\$'million</i>	Actual use of proceeds up to 31 December 2024 <i>HK\$'million</i>
(1) General working capital of the Group	1.0	1.0
	<u>1.0</u>	<u>1.0</u>

Up to 31 December 2024, the net proceeds from the Placing have been utilized in the manner disclosed in the Placing Announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no material acquisition and disposal of subsidiaries, associates and joint ventures by the Company during the year ended 31 December 2024.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 December 2024, there was no significant investment held by the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any concrete plan for material investments or capital assets as at 31 December 2024.

FOREIGN EXCHANGE EXPOSURE

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

BORROWING AND GEARING RATIO

During the year ended 31 December 2024, we did not have any short-term or long-term bank borrowings.

As at 31 December 2024, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was approximately 16.7% (31 December 2023: approximately 53.5%).

TREASURY POLICIES

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

CHARGE ON GROUP ASSETS

As at 31 December 2024, no asset of the Group was pledged as a security for bank borrowing or any other financing facilities (31 December 2023: Nil).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (31 December 2023: Nil).

COMMITMENTS

Our contract commitments mainly involve acquisition of intangible assets. As at 31 December 2024, the Group had no capital commitments for acquisition of intangible assets (31 December 2023: Nil).

On 28 December 2021, the Group established a wholly owned subsidiary, Zhejiang Gameone Holding Group Limited* (浙江智傲控股集團有限公司) (“**Zhejiang Gameone**”) in the PRC with registered capital of RMB50,000,000 (equivalent to approximately HK\$61,350,000) and the capital contribution shall be made to Zhejiang Gameone on or before 27 December 2070 in accordance with the memorandum of association of Zhejiang Gameone. As at 31 December 2024, the Group has contributed approximately RMB7,056,000 (equivalent to approximately HK\$7,967,000) (31 December 2023: approximately RMB4,295,400 (equivalent to approximately HK\$5,000,000)) capital fund to Zhejiang Gameone.

On 23 October 2024, the Group established a subsidiary, AI Travel (Hangzhou) Digital Culture Technology Co. Limited* (智遊行(杭州)數字文化科技有限公司) (“**AI Travel**”) in the PRC with registered capital of RMB2,000,000 (equivalent to approximately HK\$2,181,400) and the capital contribution shall be made to AI Travel on or before 23 October 2029 in accordance with the memorandum and association of AI Travel. As at 31 December 2024, the Group has contributed RMB500,000 (equivalent to approximately HK\$545,350) capital fund to AI Travel.

INFORMATION ON EMPLOYEES

As at 31 December 2024, the Group had 27 employees (31 December 2023: 27) working in Mainland China and Hong Kong. Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonus and share option may be granted to eligible staff by reference to the Group’s performance as well as individual’s performance. The total staff cost (including remuneration, allowances and mandatory provident funds contributions of the Directors) for the year ended 31 December 2024 amounted to approximately HK\$1.0 million (31 December 2023: approximately HK\$24.3 million). The dedication and hard work of the Group’s staff during the year ended 31 December 2024 are generally appreciated and recognized.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme (the “**Share Option Scheme**”) conditionally approved and adopted by written resolutions of the then Shareholders on 23 December 2015.

(a) Purpose

The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Group’s businesses; to provide additional incentives to the employees (whether full-time or part-time employee) and the person who is an officer of any members of the Group or any affiliates, the person who is seconded to work for any member of the Group or any affiliates, the consultant, agent, representative, adviser, customer, contractor of the Group or any affiliates and other selected participants; and to promote the long term financial success of the Group by aligning the interests of option holders to Shareholders.

(b) The participants of the Share Option Scheme

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, the Board may offer to grant an option to the employees (whether full-time or part-time employee) and the person who is an officer of any members of the Group or any affiliates, the person who is seconded to work for any member of the Group or any affiliates, the consultant, agent, representative, adviser, customer, contractor of the Group or any affiliates and other selected participants.

(c) Maximum number of shares available for issue

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 Share Option 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 “**Overriding Limit**”).

In addition to the Overriding Limit and prior to the approval of a Refreshed Mandate Limit below, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue on the Listing Date. Options lapsed in accordance with the terms of the Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

The Company may by ordinary resolutions of the Shareholders refresh the mandate limit provided the Company shall issue a circular containing such information as required by the GEM Listing Rules to Shareholders before such approval is sought. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as refreshed (the “**Refreshed Mandate Limit**”) must not exceed 10% of the Shares in issue as at the date of approval of the Refreshed Mandate Limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with any of the schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

At the beginning and the end of the year ended 31 December 2024 and as at the date of this announcement, the Company had 1,600,000 shares available for issue under the Share Option Scheme, representing approximately 4.21% of the issued share capital of the Company as at the date of this announcement.

(d) Maximum entitlement of each participants

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to each Qualifying Grantee must not exceed 1% of the Shares in issue. Where any further grant of options to a Qualifying Grantee would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by Shareholders in general meeting with the relevant Qualifying Grantee and his close associates (or his associates if the participant is a connected person) abstaining from voting. Prior to seeking such approval, the Company shall issue a circular containing such information as required by the GEM Listing Rules to Shareholders.

(e) Acceptance and payment on acceptance of option offer

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 the Board may specify in writing).

HK\$1 is payable by the grantee to the Company on acceptance of the option offer.

(f) Option period

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 Share Option Scheme, a period of 10 years from the date of the granting of the option). The Share Option Scheme is valid and effective for a period of ten years from 13 January 2016, after which no further options will be granted or offered. The remaining life of the Share Option Scheme is approximately one year.

(g) Subscription price

The subscription price in respect of any particular option shall be such price as 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.

For more details of the principal terms of the Share Option Scheme, please refer to the section headed "Share Option Scheme" in Appendix IV to the prospectus of the Company dated 31 December 2015 in relation to the placing of Shares.

For the year ended 31 December 2024, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Share Option Scheme.

FUTURE PROSPECTS

In 2022, we have established our headquarter, Zhejiang Gameone, in Linping District, Hangzhou City, Zhejiang Province. This company was rated a headquarters enterprise by the Hangzhou Municipal Government in 2023 and was rated again by the Hangzhou Municipal Government in 2024. Benefiting from Hangzhou's leading position in artificial intelligence, we can develop and build large AI models in niche game sectors at a relatively low cost. This large model platform is expected to be in a trial operation in 2025, which will assist us in developing game products at a lower cost and with higher efficiency. Benefiting from Hangzhou's leading position in E-commerce, we have expanded the trading business of producing game IP related peripherals. This can further increase the Group's revenue. Our cybersecurity technology services continue to maintain partnerships with several well — known leading banks in Mainland China. We will rely on our headquarters in Hangzhou to study how to expand our market share in Mainland China.

CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the “**Code**”) as set out in Appendix C1 to the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code during the ended 31 December 2024 and up to the date of this announcement except for the below deviation.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Code as set out in Appendix C1 of the GEM Listing Rules stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Dr. Liu Yi was the Chairman and the Chief Executive Officer, the Company has deviated from this Code. However, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in Dr. Liu Yi have 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 and more promptly response to the fast changing business environment and a more efficient management and implementation of business process. The Board also considers that vesting 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.

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 year 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 year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

NON-COMPETITION UNDERTAKINGS

During the year ended 31 December 2024, the Board had not received any written confirmation from any of the Directors in respect of interest in any business (other than our Group) which is or is likely to be directly or indirectly in competition with our business.

SCOPE OF WORK OF KENSWICK CPA Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Kenswick CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by Kenswick CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Kenswick CPA Limited on the preliminary announcement.

AUDIT COMMITTEE

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

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

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 Group's consolidated financial statements for the year ended 31 December 2024 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2024 comply with applicable accounting standards, GEM Listing Rules and the Hong Kong Companies Ordinance and adequate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

On 7 February 2025, the Company entered into the apparel manufacturing services framework agreement (the “**Apparel Manufacturing Services Framework Agreement**”) with Hangzhou Ouman Apparel Co., Ltd.* (杭州鷗蔓服飾有限公司) (“**Hangzhou Ouman**”) for a period from the date of the apparel manufacturing services framework agreement to 31 December 2027, pursuant to which, the Group will procure apparel manufacturing services from Hangzhou Ouman. Hangzhou Ouman is wholly-owned by Tibet Ouman Fashion Apparel Co., Ltd.* (西藏鷗蔓時尚服飾有限公司) (“**Tibet Ouman**”), a company established in the PRC with its entire equity interests being held directly and/or indirectly by Mr. Huang Jianying, an executive Director and a substantial Shareholder, and Ms. Sun Li, the spouse of Mr. Huang Jianying. Therefore, Hangzhou Ouman is a connected person of the Company and the transactions contemplated under the Apparel Manufacturing Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules. The annual cap for the three years ending 31 December 2025, 2026 and 2027 are approximately US\$600,000. For details please refer to the announcement of the Company dated 7 February 2025.

While the Group had not engaged in apparel manufacturing activities during the year ended 31 December 2024, the management of the Company expects that the execution of the Apparel Manufacturing Services Framework Agreement will result in the commencement of a new business segment in the next financial year. Accordingly, revenue and expenses related to this segment are expected to be reflected in the Group's consolidated financial statements for the year ending 31 December 2025. The Group will continue to assess the financial and operational impact of this segment and ensure appropriate segment disclosures are provided in future financial reporting periods.

Excepted as disclosed in this announcement, there is no other material subsequent event undertaken by the Company or by the Group after 31 December 2024 and up to the date of this announcement.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on Tuesday, 6 May 2025 (the “AGM”). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 29 April 2025 to Tuesday, 6 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 28 April 2025.

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

Hong Kong, 21 March 2025

As at the date of this announcement, the executive Directors are Dr. 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.hk08282.com.

* For identification purpose only