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Asia Pioneer Entertainment Holdings Limited

亞洲先鋒娛樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8400)

2021 FIRST QUARTERLY RESULTS ANNOUNCEMENT

The board of directors (the “**Directors**”) of Asia Pioneer Entertainment Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) announces the unaudited consolidated financial results of the Group for the three months ended 31 March 2021. This announcement, containing the full text of the 2021 first quarterly report of the Company (the “**2021 First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to the information to accompany the preliminary announcement of first quarterly results. The printed version of the 2021 First Quarterly Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.apemacau.com in due course in the manner as required by the GEM Listing Rules.

For and on behalf of
Asia Pioneer Entertainment Holdings Limited
HUIE, Allen Tat Yan
Chairman and Executive Director

Hong Kong, 12 May 2021

As at the date of this announcement, the executive Directors are Mr. HUIE, Allen Tat Yan (Chairman), Mr. NG Man Ho Herman (Chief Executive Officer) and Mr. CHAN Chi Lun (Chief Financial Officer); and the independent non-executive Directors are Mr. CHOI Kwok Wai, Mr. MA Chi Seng and Mr. HO Kevin King Lun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with 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.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.apemacau.com.

In case of any inconsistency between the English and Chinese versions, the English text of this announcement shall prevail over the Chinese text.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE" AND "GEM", RESPECTIVELY)

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

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

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*This report, for which the directors of Asia Pioneer Entertainment Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**" and the "**Directors**", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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2021 FIRST QUARTERLY HIGHLIGHTS (UNAUDITED)

1. During the three months ended 31 March 2021 (the “**Period**”), the Group’s revenue amounted to approximately HK\$2.0 million, representing a decrease of approximately 15.3% from approximately HK\$2.4 million recorded for the three months ended 31 March 2020 (the “**Corresponding Period**”). The decrease in revenue was mainly attributable to a decrease of income derived from (i) consulting and technical services by approximately 57.6%, (ii) repair services by approximately 89.3% for the Period as compared with that for the Corresponding Period. Revenue from Technical sales and distribution of EGE segment recorded a 57.9% increase from the Corresponding Period.
2. The Group recorded a total comprehensive loss of approximately HK\$4.3 million for the Period representing an increase in loss of approximately 6.3% from approximately HK\$4.1 million from the Corresponding Period. Such increase in total comprehensive loss was mainly due to a continued slowdown of new orders as a result of the impact of novel coronavirus disease (the “**COVID-19**”) on the operations of our major customers — the casino operators in the Macau Special Administrative Region (“**Macau SAR**”).
3. The board of Directors (the “**Board**”) has resolved not to declare any payment of dividend for the Period (the Corresponding Period: Nil).

UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY RESULTS

The Board presents the unaudited condensed consolidated results of the Group for the Period together with the comparative unaudited figures for the Corresponding Period as follows:

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

For the three months ended 31 March 2021

	NOTES	Three months ended 31 March	
		2021 HK\$ Unaudited	2020 HK\$ Unaudited
Revenue	3	2,015,658	2,380,381
Cost of sales and services		(1,600,238)	(1,697,221)
Gross profit		415,420	683,160
Other income, gains and losses	4	(21,737)	596,942
Impairment losses under expected credit		3,543	32,739
Operating expenses		(4,717,323)	(5,364,551)
Finance costs		(21,539)	(34,603)
(Loss) before tax		(4,341,636)	(4,086,313)
Income tax expense	5	–	–
(Loss) and total comprehensive expenses attributable to shareholders of the Company for the period	6	(4,341,636)	(4,086,313)
(Loss) per share			
Basic	7	(0.004)	(0.004)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Legal reserve HK\$	Accumulated profits/(loss) HK\$	Total HK\$
As at 1 January 2020 (Audited)	10,000,000	55,098,836	(3,416,148)	504,489	25,932,189	88,119,366
Loss and total comprehensive expenses for the period	-	-	-	-	(4,086,313)	(4,086,313)
As at 31 March 2020 (Unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	21,845,876	84,033,053
As at 1 January 2021 (Audited)	10,000,000	55,098,836	(3,416,148)	504,489	(6,100,260)	56,086,917
Loss and total comprehensive expenses for the period	-	-	-	-	(4,341,636)	(4,341,636)
As at 31 March 2021 (Unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(10,441,896)	51,745,281

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 22 February 2017. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company in the Macau SAR is located at EM Macau, Estrada Marginal Do Hipódromo N°S 56-66, Industrial Lee Cheung F10. The shares of the Company (the "**Shares**") in issue have been listed on GEM since 15 November 2017 (the "**Listing Date**" and the "**Listing**", respectively).

The Company is an investment holding company and its subsidiaries are principally engaged in (i) technical sales and distribution of electronic gaming equipments ("**EGES**") to land-based casinos; (ii) consulting and technical services; and (iii) repair services.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the Period (the "**Condensed Consolidated Financial Statements**") have been prepared by the Directors in accordance with International Financial Reporting Standards (the "**IFRSs**") issued by the International Accounting Standards Board and the disclosure requirements of the GEM Listing Rules. The accounting policies and basis adopted in the preparation of the Condensed Consolidated Financial Statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2020. The adoption of the new and revised IFRSs that are relevant to the Group and effective from the Period had no significant effects on the results and financial position of the Group. The Condensed Consolidated Financial Statements have not been audited but have been reviewed by the Board's audit committee (the "**Audit Committee**"). The measurement basis used in the preparation of the unaudited Condensed Consolidated Financial Statements is the historical cost basis. The unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollars ("**HK\$**") unless otherwise indicated.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

3. REVENUE AND SEGMENT INFORMATION

The Group is engaged in (1) technical sales and distribution of EGEs; (2) consulting and technical services; and (3) repair services.

For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in note 2 above. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

Revenue from major products and services

	Three months ended	
	31 March	
	2021	2020
	HK\$	HK\$
	Unaudited	Unaudited
Technical sales and distribution of EGEs	1,589,884	1,007,107
Consulting and technical services	372,995	879,825
Repair services	52,779	493,449
	2,015,658	2,380,381

Geographical information

The Group primarily operates in Macau SAR and Southeast Asia. All of the revenue for the Corresponding Period and the Period were derived in Macau SAR and Southeast Asia.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

4. OTHER INCOME, GAINS AND LOSSES

	Three months ended 31 March	
	2021 HK\$ Unaudited	2020 HK\$ Unaudited
Bank interest income	331	50,000
Net foreign exchange (loss)/gain	(24,532)	91,206
Finance income	–	453,561
Others	762	174
Effective interest income on rental deposit	1,702	2,001
	(21,737)	596,942

5. INCOME TAX EXPENSE

	Three months ended 31 March	
	2021 HK\$ Unaudited	2020 HK\$ Unaudited
Current tax:		
Macau SAR Complementary Tax	–	–

No tax has been provided for the Period as the Group has suffered a loss (Corresponding Period: Nil). The Group is subject to Macau SAR Complementary Tax at a rate of 12% on the assessable income exceeding Macau Pataca (“MOP”) MOP600,000 (equivalent to approximately HK\$583,000) for the Period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

6. (LOSS) FOR THE PERIOD

	Three months ended	
	31 March	
	2021	2020
	HK\$	HK\$
	Unaudited	Unaudited
(Loss) for the period has been arrived at after charging:		
Directors' remuneration	779,860	913,029
Other staff costs		
— salaries and allowances	2,213,020	2,588,323
— retirement benefits scheme contributions	10,388	11,010
	2,223,408	2,599,333
Total staff costs	3,003,268	3,512,362
Auditor's remuneration	262,136	291,262
Depreciation of property and equipment	466,852	468,462
Cost of inventories recognised as an expense	1,166,083	664,435
Minimum lease payment in respect of rental premises	66,699	—
Depreciation of right-of-use assets	291,734	351,609

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

7. (LOSS) PER SHARE

The calculation of the basic (loss) per share for each of the periods ended 31 March 2020 and 2021 is based on the following data:

	Three months ended 31 March	
	2021 HK\$ Unaudited	2020 HK\$ Unaudited
(Loss)		
(Loss) for the purpose of calculating basic (loss) per share (loss for the period attributable to shareholders of the Company)	(4,341,636)	(4,086,313)

	2021 '000	2020 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss) per share	1,000,000	1,000,000

No diluted loss per share for the Period was presented as there were no potential dilutive ordinary Shares in issue during both periods.

8. DIVIDENDS

The Board has resolved not to declare any payment of dividend for the Period (Corresponding Period: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a total solutions provider of EGE for land-based casinos in Macau SAR as well as other regions in Asia. EGE principally includes electronic table games and electronic gaming machines (“EGMs”). The Group’s business can be segmented into: (i) technical sales and distribution of EGEs to land-based casinos; (ii) provision of consulting service to suppliers or manufacturers of EGE and technical services to manufacturers; and (iii) provision of repair services and sale of EGE plus spare parts.

The Group’s business is conducted through its wholly-owned subsidiaries, including Asia Pioneer Entertainment Limited (“**APE Macau**”). APE Macau is the operating company of the Group which operates the core businesses in Macau SAR. For the Period, APE Macau’s revenue represented all of the revenue of the Group.

The Group’s performance for the first quarter of 2021 continues to be adversely affected by the outbreak of the COVID-19 in Macau SAR and Southeast Asia. Whilst revenues for technical sales and distribution of EGE products recorded an increase of 57.9% for the Period over the Corresponding Period, this was offset by drop in sales in its consulting and technical services segment (57.6%) and in its repairs services segment (89.3%) over the same Period.

During the Period, the Group made a number of purchases of vending machines for its smart vending operations which will be launched in the second quarter of 2021.

FORWARD OUTLOOK

The Group is more cautiously optimistic that the market for casino products will begin to recover in 2021 as casinos begin to ramp up gaming operations in expectation of a mass market player recovery. This view is based on the assumption that travel bubble corridors will open up between China — Hong Kong Special Administrative Region (“**Hong Kong SAR**”) and Macau SAR which will allow tourists to travel to Macau SAR without quarantine restrictions.

The Group is optimistic on the rollout of smart vending solutions in 2021 as a plan to diversify its business from gaming equipment into other revenue streams but still retain its core competences of Macau SAR localization and technical knowledge and continues to proactively seek opportunities to diversify its revenues into non-gaming related sectors with focus on Macau SAR and Greater Bay Area related opportunities.

The Group’s management (the “**Management**”) continues to review various business plans to diversify the Group’s business outside of gaming equipment supply.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Company decreased by approximately 15.3% from approximately HK\$2.4 million for the Corresponding Period to approximately HK\$2.0 million for the Period. The decrease in revenue was mainly attributed to a decrease of income derived from (i) consultancy and technical services segment of approximately 57.6%, and (ii) repair services segment of approximately 89.3% that for the Corresponding Period.

The following table sets forth the revenue from major products and services of the Group for the Period and the Corresponding Period:

Revenue from major products and services	Three months ended		Period-on-period change
	31 March		
	2021	2020	%
	HK\$	HK\$	
Technical sales and distribution of EGE	1,589,884	1,007,107	57.9%
Consulting and technical services	372,995	879,825	(57.6%)
Repair services	52,779	493,449	(89.3%)
	2,015,658	2,380,381	(15.3%)

Gross Profit and Gross Profit Margin by Revenue Streams

The following table sets forth the breakdown of the Group's gross profit margins by income segmentation for the Period and the Corresponding Period:

For the three months ended 31 March 2021

Breakdown by revenue streams	Technical sales and distribution of EGE	Consulting and technical services	Repair services	Total
	HK\$	HK\$	HK\$	HK\$
	Revenue	1,589,884	372,995	52,779
Cost of sales and services	1,353,310	205,083	41,845	1,600,238
Gross profit	236,574	167,912	10,934	415,420
Gross profit ratio	14.9%	45.0%	20.7%	20.6%

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended 31 March 2020

Breakdown by revenue streams	Technical sales and distribution of EGE HK\$	Consulting and technical services HK\$	Repair services HK\$	Total HK\$
Revenue	1,007,107	879,825	493,449	2,380,381
Cost of sales and services	(909,167)	(538,441)	(249,613)	(1,697,221)
Gross profit	97,940	341,384	243,836	683,160
Gross profit ratio	9.7%	38.8%	49.4%	28.7%

Gross profit margin overall decreased from approximately 28.7% for the Corresponding Period to approximately 20.6% for the Period.

Operating Expenses

The Group's operating expenses decreased from HK\$5.4 million for the Corresponding Period to HK\$4.7 million for the Period.

	Three months ended 31 March		Period-on- period change %
	2021 HK\$	2020 HK\$	
Directors' remuneration	779,860	913,029	(14.6)%
Other staff costs	2,223,408	2,599,333	(14.5)%

Directors' remuneration decreased by approximately 14.6% to HK\$779,860 for the Period from HK\$913,029 for the Corresponding Period. Such decreases were due to the voluntary salary reductions undertaken by the senior management of the Company.

Profit and Loss

The Group recorded an unaudited net loss attributable to the shareholders of the Company (the "**Shareholders**") of approximately HK\$4.3 million for the Period as compared to a net loss of approximately HK\$4.1 million for the Corresponding Period.

This increase in loss was mainly due to a drop in revenue from approximately HK\$2.4 million for the Corresponding Period to approximately HK\$2.0 million for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

During the Period, the Group financed its operations by its internal resources. As at 31 March 2021, the Group had net current assets of approximately HK\$49.4 million versus approximately HK\$53.5 million as at 31 December 2020. The decrease in net current assets was mainly attributed to a decrease in trade and other receivable of approximately HK\$1.3 million and inventory of approximately HK\$1.1 million. As at 31 March 2021, the Group had no bank borrowings, no bank overdrafts and no other banking loans. Gearing ratio (which is calculated by dividing total debt by total equity) was not applicable to the Group as at 31 March 2021. There has been no change in the capital structure of the Company since 31 December 2020. The capital structure refers to the maturity profile of debt and obligation, type of capital instrument used, currency and interest rate structure.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group plans to expand its business into smart vending machines business; the Group has purchased several vending machines for trial. The operation is expected to commence in the second quarter of 2021.

Save as disclosed in this report and the Company's 2020 annual report in relation to the smart vending machine business, the Group did not have any other plans for material investment or capital assets as at the date of this report.

SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make any significant investment or material acquisition and disposal of subsidiaries, associates or joint ventures during the Period.

CONTINGENT LIABILITIES

As at 31 March 2021 and 31 December 2020, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2021, the Group had a total of 42 employees (31 March 2020: 41). For the Period, the Group incurred staff costs, including Directors' remuneration of approximately HK\$3.0 million (31 March 2020: approximately HK\$3.5 million). The Company has adopted a share option scheme (the "Scheme") on 25 October 2017 for the purpose of recognising and acknowledging the contribution of employees and directors of the Group and other selected participants. The Company has not granted any share options under the Scheme since its adoption and up to the date of this report. As at 31 March 2021, there were no outstanding share options and no share options lapsed or were exercised or cancelled during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As at 31 March 2021, the Group had no capital commitment (31 December 2020: approximately HK\$0.2 million).

CHARGES ON GROUP'S ASSETS

As at 31 March 2021, the Group had no charges on the Group's assets (31 December 2020: Nil).

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well-placed to take advantage of future growth opportunities. As at 31 March 2021, all cash on hand was deposited with licensed financial institutions in Hong Kong SAR and Macau SAR.

CUSTOMER AND SUPPLIER RELATIONSHIPS

The Group's major customers are mostly casino operators in Macau SAR listed on the Stock Exchange. The Group is committed to building long term and stable business relationships with existing customers through our sales and marketing department and technical service team. The Group also maintains good relationships with its suppliers. The Group has long term relationships with a selected number of suppliers who distribute on an exclusive territorial or a non-exclusive basis.

FOREIGN CURRENCY EXPOSURE

The Group bills its customers mainly in United States dollars ("**USD**"), HK\$ and MOP. The main exposure to foreign currency fluctuations is through ordering from a major European supplier with invoices denominated in European dollars ("**Euro**"). For the Period, the Group was able to have a net foreign exchange loss of HK\$24,532. This was attributable to Management's vigilance on the exchange rate fluctuation of USD against Euro by reducing the period of payables in Euro liabilities.

DIVIDEND

The Board has resolved not to declare any payment of dividend for the Period (Corresponding Period: Nil).

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, recorded in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

Long Position in the Shares

Name of Directors/ chief executive	Capacity/ Nature of interest	Number of Shares/ underlying Shares interested	Approximate percentage of the issued Shares*
Mr. Huie, Allen Tat Yan ("Mr. Huie")	Beneficial owner	729,610,000 ^{Notes 1,2&3}	72.96%
Mr. Ng Man Ho Herman ("Mr. Ng")	Beneficial owner	729,610,000 ^{Notes 1,2&3}	72.96%
Mr. Chan Chi Lun ("Mr. Chan")	Beneficial owner	729,610,000 ^{Notes 1,2&3}	72.96%

Note 1: On 14 January 2020, APE HAT Holdings Limited holding a total of 725,100,000 Shares had made a restructure and transferred 287,719,680, 287,719,680 and 149,660,640 Shares to Mr. Huie, the chairman of the Board and an executive Director, Mr. Ng, the chief executive officer of the Company and an executive Director and Mr. Chan, the chief financial officer and the compliance officer of the Company as well as an executive Director, respectively. Pursuant to a deed of concert parties dated 10 March 2017 and signed by Mr. Huie, Mr. Ng and Mr. Chan (the "Deed of Concert"), each of them has agreed and confirmed, among other things, that they have been cooperating with each other and acting in concert in relation to the Group (for the purpose of the Code of Takeovers and Mergers of Hong Kong SAR) since 1 January 2015 and will continue to act in the same manner in the Group upon the Listing. By virtue of the SFO, Mr. Huie, Mr. Ng and Mr. Chan are deemed to be interested in 725,100,000 Shares, representing 72.51% of the total number of Shares in issue, held by them altogether.

DISCLOSURE OF INTERESTS

Note 2: On 14 September 2020, Mr. Chan acquired 1,920,000 Shares on the market. Pursuant to the Deed of Concert, both Mr. Huie and Mr. Ng also deemed to be interested in such 1,920,000 Shares. By virtue of the SFO, Mr. Huie, Mr. Ng and Mr. Chan are deemed to be interested in 727,020,000 Shares, representing 72.70% of the total number of Shares in issue, held by them altogether.

From 19 to 24 November 2020, Mr. Huie acquired 1,690,000 Shares in total on the market. Pursuant to the Deed of Concert, both Mr. Ng and Mr. Chan also deemed to be interested in such 1,690,000 Shares. By virtue of the SFO, Mr. Huie, Mr. Ng and Mr. Chan are deemed to be interested in 728,710,000 Shares, representing 72.87% of the total number of Shares in issue, held by them altogether.

Note 3: On 30 and 31 March 2021, Mr. Huie acquired 900,000 Shares in total on the market. Pursuant to the Deed of Concert, both Mr. Ng and Mr. Chan also deemed to be interested in such 900,000 Shares. By virtue of the SFO, Mr. Huie, Mr. Ng and Mr. Chan are deemed to be interested in 729,610,000 Shares, representing 72.96% of the total number of Shares in issue, held by them altogether.

* The percentage represents the total number of the Shares and the underlying Shares, if any, interested divided by the number of issued Shares of 1,000,000,000 as at 31 March 2021.

Save as disclosed above, as at 31 March 2021, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, recorded in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

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

As at 31 March 2021, other than the interests which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO in respect of the Directors and the chief executive of the Company, the Company had not been notified by any person or entity, not being a Director or the chief executive of the Company, of having 5% or more of the interests and short positions in the Shares and underlying Shares as required to be recorded in the register under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling Shareholders (as defined under the GEM Listing Rules) of the Company or their respective close associates (as defined under the GEM Listing Rules) had interests in any business apart from the Group's business which had competed or was likely to compete, either directly or indirectly, with the businesses of the Group and had or might have any other conflicts of interest with the Group during the Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company has applied the principles and adopted all code provisions, where applicable, of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**"). The Company has complied with all applicable code provisions as set out in the CG Code during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

IMPORTANT EVENTS AFTER THE PERIOD

The Board is not aware of any material event requiring disclosure, that has taken place subsequent to 31 March 2021 and up to the date of this report.

REVIEW BY AUDIT COMMITTEE

The Audit Committee was established with effect from the Listing Date with written terms of reference in compliance with code provision C.3 of the CG Code and Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises all the three independent non-executive Directors (the "**INEDS**"), namely Mr. Choi Kwok Wai, Mr. Ma Chi Seng and Mr. Ho Kevin King Lun. Mr. Choi Kwok Wai is the chairman of the Audit Committee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Audit Committee has reviewed the unaudited Condensed Consolidated Financial Statements and this quarterly report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By Order of the Board
Asia Pioneer Entertainment Holdings Limited
HUIE, Allen Tat Yan
Chairman and Executive Director

Hong Kong, 12 May 2021

As at the date of this report, the executive Directors are Mr. HUIE, Allen Tat Yan (Chairman), Mr. NG Man Ho Herman (Chief Executive Officer) and Mr. CHAN Chi Lun (Chief Financial Officer); and the INEDs are Mr. CHOI Kwok Wai, Mr. MA Chi Seng and Mr. HO Kevin King Lun.