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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)

2022 THIRD 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 nine months ended 30 September 2022. This announcement, containing the full text of the 2022 third quarterly report of the Company (the “**2022 Third 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 third quarterly results. The printed version of the 2022 Third 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, 9 November 2022

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 Stock Exchange’s website at www.hkexnews.hk 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**", 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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2022 THIRD QUARTERLY HIGHLIGHTS (UNAUDITED)

1. During the nine months ended 30 September 2022 (the “**Period**”), the Group’s revenue amounted to approximately HK\$4.0 million, representing a decrease of approximately 27.6% from approximately HK\$5.5 million recorded for the nine months ended 30 September 2021 (the “**Corresponding Period**”). The decrease in revenue was mainly due to a decrease of income derived from technical sales and distribution of electronic gaming equipment (“**EGE**”) and repair services by approximately 74% and 8.8% offset by the increase in revenue from consulting and technical services of 49.5%, from the Corresponding Period.
2. The Group recorded a total comprehensive loss of approximately HK\$13.3 million for the Period from approximately HK\$13.0 million for the Corresponding Period, representing an approximately 2.5% increase, mainly due to the decrease in revenue.
3. The board of Directors (the “**Board**”) has resolved not to declare the payment of a dividend for the Period (Corresponding Period: Nil).

UNAUDITED CONDENSED CONSOLIDATED THIRD 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 NINE MONTHS ENDED 30 SEPTEMBER 2022

	NOTES	Nine months ended 30 September	
		2022 HK\$ Unaudited	2021 HK\$ Unaudited
Revenue	3	4,019,356	5,548,387
Cost of sales and services		(5,100,864)	(4,945,255)
Gross Profit		(1,081,508)	603,132
Other income, gains and losses	4	1,059,889	(46,964)
Write down of inventories to net realisable value		(536,298)	-
Impairment losses under expected credit loss model, net of reversal		2,278	(833)
Operating expenses		(12,702,497)	(13,503,790)
Finance costs		(75,820)	(58,351)
(Loss) before tax		(13,333,956)	(13,006,806)
Income tax expense	5	-	-
(Loss) and total comprehensive income attributable to the shareholders of the Company for the period	6	(13,333,956)	(13,006,806)
(Loss) per share			
Basic	7	(0.01)	(0.01)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Legal reserve HK\$	Accumulated profits HK\$	Total HK\$
As at 1 January 2022 (Audited)	10,000,000	55,098,836	(3,416,148)	504,489	(29,177,022)	33,010,155
Loss and total comprehensive income for the period	-	-	-	-	(13,333,956)	(13,333,956)
As at 30 September 2022 (Unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(42,510,978)	19,676,199
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	-	-	-	-	(13,006,806)	(13,006,806)
As at 30 September 2021 (Unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(19,107,066)	43,080,111

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

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 Special Administrative Region ("**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 have two principle lines of business. Firstly, it is a supplier of EGEs to casinos in Macau SAR and Asia (the "**EGE Business**"). Secondly, it is an operator of smart vending machines in Macau SAR and Greater Bay Area ("**GBA**") of the People's Republic of China ("**PRC**" or "**China**") selling various Macau sourced products to consumers and travellers (the "**Smart VM Business**").

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 ("**IFRSs**") issued by the International Accounting Standards Board and the disclosure requirements of the GEM Listing Rules. The accounting policies and basis of preparation 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 2021. 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 NINE MONTHS ENDED 30 SEPTEMBER 2022

3. REVENUE AND SEGMENT INFORMATION

The Group now has two principle lines of business: 1) the EGE Business and 2) the Smart VM Business.

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

	Nine months ended 30 September	
	2022 HK\$ Unaudited	2021 HK\$ Unaudited
EGE Business:		
— Technical sales and distribution of EGE	998,305	3,845,831
— Consultancy and technical services	2,025,131	1,354,531
— Repair services	317,458	348,025
	3,340,894	5,548,387
Smart VM Business:		
— Sale of own goods	669,995	—
— Consignment sale	8467	—
	678,462	—
Total	4,019,356	5,548,387

Geographical information

The Group primarily operates in Macau SAR and 92% of the Group's revenue was derived from customers in Macau SAR during the Period and 8% of revenue was derived from customers outside Macau SAR. For the Corresponding Period, 79% of the revenue was derived from customers in Macau SAR and 21% of the revenue was derived from customers outside Macau SAR.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

4. OTHER INCOME, GAINS AND LOSSES

	Nine months ended 30 September	
	2022	2021
	HK\$	HK\$
	Unaudited	Unaudited
Interest income on finance leases	–	–
Interest income on rental deposits	5,550	5,356
Bank interest income	367	521
Net foreign exchange (loss)/gain	(47,260)	(59,265)
Other income	1,101,232	(6,424)
	1,059,889	(46,964)

5. INCOME TAX EXPENSE

	Nine months ended 30 September	
	2022	2021
	HK\$	HK\$
	Unaudited	Unaudited
Current tax:		
Macau Complementary Tax	–	–

The Group is subject to Macau Complementary Tax at a rate of 12% on the assessable income exceeding Macau Pataca (“MOP”) 600,000 (equivalent to approximately HK\$583,000). No tax has been provided for the Period as the Group has suffered a loss (Corresponding Period: Nil).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

6. (LOSS) FOR THE PERIOD

	Nine months ended 30 September	
	2022 HK\$ Unaudited	2021 HK\$ Unaudited
(Loss) for the period has been arrived at after charging:		
Directors' remuneration	2,339,581	2,569,581
Other staff costs		
— salaries and allowances	7,151,695	6,706,047
— retirement benefits scheme contributions	34,485	31,942
Total staff costs	9,525,761	9,307,570
Auditor's remuneration	789,029	986,408
Depreciation of property and equipment	410,495	867,778
Depreciation of right-of-use assets	388,768	874,714
Cost of inventories recognised as an expense	965,716	2,549,783

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

7. (LOSS) PER SHARE

The calculation of the basic (loss) per share for each of the periods ended 30 September 2021 and 2022 is based on the following data:

	Nine months ended 30 September	
	2022	2021
	HK\$	HK\$
	Unaudited	Unaudited
(Loss)		
(Loss) for the purpose of calculating basic (loss) per share (loss for the period attributable to the shareholders of the Company (the "Shareholders"))	(13,333,956)	(13,006,806)
	2022	2021
	'000	'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 periods was presented as there were no potential ordinary Shares in issue during both periods.

8. DIVIDENDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has two principle lines of business: 1) the Electronic Gaming Equipment (“**EGE**”) Business; and 2) the Smart Vending Machines (“**Smart VM**”) Business.

EGE Business:

The Group has been engaged in the EGE Business in the Macau Special Administrative Region (“**Macau SAR**”) since 2005 where it is a licensed supplier of EGE to all six Macau’s casino concessionaires. The Group also supplies EGE to landbased casinos in the Asian region. The main EGEs or products supplied by the Group include electronic table games (“**ETGs**”) such as electronic baccarat table games and electronic gaming machines (“**EGMs**”) such as electronic slot machines. The Group represents many brands of EGE and provides many services on the EGEs. Overall, the Group’s EGE Business can be divided into: (1) the technical sales and distribution of EGE to casinos; (2) the provision of repair services to casino operators; and (3) the provision of consultancy and technical services.

The novel coronavirus disease 2019 (“**COVID-19**”) pandemic which started in January 2020 continues to be ongoing for approximately three years now. The pandemic continues to adversely impact the operations of our customers, particularly the land-based casinos in Macau SAR. As a result, the Group’s performance for the Period continues to be adversely affected.

During the Period, revenues from the Technical Sales and Distribution of EGE had decreased by approximately 74% and repair services had decreased by approximately 8.8%, which were offset by the increase in revenue from its consulting and technical services segment of 49.5%, from the Corresponding Period.

Smart VM Business:

The Group began its Smart VM Business in Macau SAR in the second half of 2021 after several months of trials. At its core, the Group is an operator of Smart VMs selling various Macau sourced products to travellers to Macau SAR as well as domestic consumers in Macau SAR and the Greater Bay Area (“**GBA**”) of the People’s Republic of China (“**PRC**” or “**China**”). The Group operates and markets its Smart VMs under its own registered brands and logos in both Macau SAR and the PRC. In Macau SAR, the Group’s drinks and snacks VMs are marketed under the KatKatMall logo, and its coffee VMs are marketed under the Katffee logo. The Group also operates and markets customised VMs with well known product partners, for example, it operates a Choi Heung Yuen (“**CHY**”) VM specifically for CHY products in Macau SAR.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's Smart VM Business is conducted through the Group's wholly-owned subsidiary, APE Smart Commerce Limited and its subsidiary, Xianfeng Zhitesco E-Commerce (Zhuhai Hengqin) Co. Ltd. in Zhuhai, the GBA to undertake such opportunities. As at 30 September 2022, the Group has installed 31 VMs and 16 coffee VMs of various types in Macau SAR, and 4 coffee VMs and 1 VM in Zhuhai, the GBA. The Smart VM Business performance for the Period generated a revenue of approximately HK\$0.7 million, and a gross loss of approximately HK\$0.3 million. Total capital expenditures on VMs were approximately HK\$2.72 million.

During the Period, the Group set up a new 100% owned subsidiary called APE Digital Creations Limited ("**APE DCL**") in Hong Kong Special Administrative Region ("**Hong Kong SAR**") to participate and engage in metaverse and related businesses. The Group hopes that APE DCL will allow the Group to diversify into online and digital business opportunities.

FORWARD OUTLOOK

The Group remains concerned about the impact of the ongoing outbreak of the COVID-19 on the operations of its land-based operators in Macau SAR and Southeast Asia. This has caused a prolong impact on our businesses and operations, particularly our EGE business. As a result, the Group needs to diversify its business lines, and are looking for EGE Sales in Asia and improves operation in Smart VM Business to secure income. We are also doing internal restructuring to minimize costs and expenses of our operations. The Group still hopes that its business activities can quickly return to pre-COVID-19 levels.

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately 27.6% from approximately HK\$5.55 million for the Corresponding Period to approximately HK\$4.0 million for the Period. The decrease in revenue was mainly attributed to a decrease of income derived from technical sales and distribution segment and repair services segment by approximately 74% and 8.8% respectively, which were offset by the increase in revenue from consulting and technical services of 49.5%, from the Corresponding Period.

MANAGEMENT DISCUSSION AND ANALYSIS

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	Nine months ended 30 September		Period-on- period change
	2022	2021	
	HK\$	HK\$	%
Technical sales and distribution of EGE	998,305	3,845,831	(74%)
Consultancy and technical services	2,025,131	1,354,531	49.5%
Repair services	317,458	348,025	(8.8%)
Smart VM Business	678,462	–	–
	4,019,356	5,548,387	(27.6%)

Gross Profit and Gross Profit Margin by Revenue Streams

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

For the nine months ended 30 September 2022

Breakdown by revenue streams	Technical sales and distribution of EGE HK\$	Consultancy and technical services HK\$	Repair services HK\$	Smart VM HK\$	Total HK\$
Revenue	998,305	2,025,131	317,458	678,462	4,019,356
Cost of sales and services	(1,612,060)	(1,803,453)	(735,966)	(949,385)	(5,100,864)
Gross profit	(613,755)	221,678	(418,508)	(270,923)	(1,081,508)
Gross profit margin	(61.5%)	10.9%	(131.8%)	(39.9%)	(26.9%)

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended 30 September 2021

Breakdown by revenue streams	Technical sales and distribution of EGE HK\$	Consultancy and technical services HK\$	Repair services HK\$	Smart VM HK\$	Total HK\$
Revenue	3,845,831	1,354,531	348,025	–	5,548,387
Cost of sales and services	(3,427,465)	(1,220,583)	(297,207)	–	(4,945,255)
Gross profit	418,366	133,948	50,818	–	603,132
Gross profit margin	10.9%	9.9%	14.6%	–	10.9%

Gross profit margins decreased from approximately 10.9% for the Corresponding Period to approximately -26.9% for the Period. The decrease in gross profit margins was mainly due to decreases in gross profit margin in (i) technical sales and distribution of EGE from approximately 10.9% for the Corresponding Period to -61.5% for the Period; and (ii) repair services from approximately 14.6% for the Corresponding Period to -131.8% for the Period offset by the increase in gross profit margin in (iii) consultancy and technical services from approximately 9.9% for the Corresponding Period to 10.9% for the Period.

Operating Expenses

The Group's operating expenses decreased by approximately 5.9% from approximately HK\$13.5 million for the Corresponding Period to approximately HK\$12.7 million for the Period. This decrease was attributable to a voluntary salary cut from the senior management of the Company and also a review of the Group's operating expenses.

	Nine months ended 30 September		Period-on- period change
	2022 HK\$	2021 HK\$	%
Directors' remuneration	2,339,581	2,569,581	(9%)
Other staff costs	7,186,180	6,737,989	6.7%

MANAGEMENT DISCUSSION AND ANALYSIS

Directors' remuneration decreased by 9% to approximately HK\$2.3 million for the Period from approximately HK\$2.6 million for the Corresponding Period. Other staff costs increased by approximately 6.7% for the Period as compared with those for the Corresponding Period.

Loss

The Group recorded an unaudited loss and other comprehensive income attributable to the Shareholders of approximately HK\$13.3 million for the Period as compared to that of approximately HK\$13.0 million for the Corresponding Period.

The increase was mainly attributable to a 27.6% decrease in revenue from the Corresponding Period to the Period, offset by the one-time impairment loss of finance lease receivables of approximately HK\$5.5 million for the Corresponding Period.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

During the Period, the Group financed its operations by its internal resources. As at 30 September 2022, the Group had net current assets of approximately HK\$16.3 million compared with approximately HK\$30.6 million as at 31 December 2021. As at 30 September 2022 and 31 December 2021, the Group had no bank borrowings, bank overdraft and no other bank loans. Gearing ratio (which is calculated by dividing total debt by total equity and then multiplied by 100%) was not applicable to the Group as at 30 September 2022 and 31 December 2021. There has been no change in the capital structure of the Company since 31 December 2021.

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

Save as disclosed in this report, the Group did not have any plans for material investment or capital assets as at the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 September 2022 and 31 December 2021, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2022, the Group had a total of 41 employees (30 September 2021: 44). For the Period, the Group incurred staff costs, including Directors' remuneration, of approximately HK\$9.5 million (30 September 2021: approximately HK\$9.3 million). The Company 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. Therefore, no share options lapsed or were exercised or cancelled during the Period and there were no outstanding share options as at 30 September 2022.

CAPITAL COMMITMENTS

As at 30 September 2022, the Group had capital commitment of HK\$0.1 million (30 September 2021: approximately HK\$0.7 million).

CHARGES ON GROUP'S ASSETS

As at 30 September 2022, the Group had no charges on its assets (31 December 2021: Nil).

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintaining a strong and healthy liquidity to ensure that the Group is well-placed to take advantage of future growth opportunities. As at 30 September 2022, all cash on hand was deposited with licensed financial institutions.

MANAGEMENT DISCUSSION AND ANALYSIS

CUSTOMER AND SUPPLIER RELATIONSHIPS

The Group's major customers are mostly casino operators in Macau SAR and listed on the Stock Exchange. The Group is committed to building long term and stable business relationships with existing customers through its 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. For the Period, the Group had a net foreign exchange loss of HK\$47,260 (Corresponding Period: foreign exchange loss of HK\$59,265). This was attributable to exchange rate fluctuation of USD against HK\$ during the Period of payables in HK\$ liabilities.

DIVIDEND

The Board has resolved not to declare the payment of a 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 30 September 2022, 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	294,759,680 ^{Notes 1, 2&3}	29.47%
Mr. Ng Man Ho Herman ("Mr. Ng")	Beneficial owner	289,259,680 ^{Notes 1, 2&3}	28.92%
Mr. Chan Chi Lun ("Mr. Chan")	Beneficial owner	151,580,640 ^{Notes 1, 2&3}	15.16%

Note 1: As at 1 April 2022, each of Mr. Huie, Mr. Ng and Mr. Chan beneficially owned 293,409,680 Shares, 288,719,680 Shares and 151,580,640 Shares, 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 733,710,000 Shares, representing approximately 73.37% of the total number of Shares in issue, held by them altogether.



DISCLOSURE OF INTERESTS

Note 2: On 6 and 7 April 2022, Mr. Huie acquired 1,350,000 Shares in total on the market. Pursuant to the Deed of Concert, both Mr. Ng and Mr. Chan are also deemed to be interested in such 1,350,000 Shares. By virtue of the SFO, Mr. Huie, Mr. Ng and Mr. Chan are deemed to be interested in 735,060,000 Shares, representing approximately 73.51% of the total number of Shares in issue, held by them altogether.

Note 3: On 7 April 2022, Mr. Ng acquired 540,000 Shares in total on the market. Pursuant to the Deed of Concert, both Mr. Huie and Mr. Chan are also deemed to be interested in such 540,000 Shares. By virtue of the SFO, Mr. Huie, Mr. Ng and Mr. Chan are deemed to be interested in 735,600,000 Shares, representing approximately 73.56% 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 30 September 2022.

Save as disclosed above, as at 30 September 2022, 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 30 September 2022, 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) 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 any other conflicts of interest which any such person had or might have 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 the Period and up to the date of this report.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee was established with effect from the Listing Date with written terms of reference in compliance with code provision D.3.3 and D.3.7 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 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, 9 November 2022

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.