

**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.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*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.*



Asia Pioneer Entertainment Holdings Limited ~ Third Quarterly Report 2023

# CONTENTS

2023 THIRD QUARTERLY HIGHLIGHTS (UNAUDITED)	2
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	5
MANAGEMENT DISCUSSION AND ANALYSIS	10
DISCLOSURE OF INTERESTS	17
CORPORATE GOVERNANCE AND OTHER INFORMATION	19



## 2023 THIRD QUARTERLY HIGHLIGHTS (UNAUDITED)

1. During the nine months ended 30 September 2023 (the “**Period**”), the Group’s revenue amounted to approximately HK\$14.6 million, representing an Increase of approximately 263.6% from approximately HK\$4.0 million recorded for the nine months ended 30 September 2022 (the “**Corresponding Period**”). The increase in revenue was mainly due to the increase of income derived from technical sales and distribution of electronic gaming equipment (“**EGE**”), consulting and technical services, repair services and smart vending machines (“**Smart VM**”) business by approximately 590%, 147.5%, 214% and 150% respectively, from the Corresponding Period.
2. The Group recorded a total comprehensive loss of approximately HK\$7.1 million for the Period from approximately HK\$13.3 million for the Corresponding Period, representing an approximately 46.6% decrease, mainly due to the increase in revenue, the increase was due to the Macau SAR’s gaming and travel sectors slowly returning to pre-COVID levels.
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 2023

	NOTES	Nine months ended 30 September	
		2023 HK\$ Unaudited	2022 HK\$ Unaudited
Revenue	3	<b>14,614,595</b>	4,019,356
Cost of sales and services		<b>(10,986,753)</b>	(5,100,864)
Gross Profit		<b>3,627,842</b>	(1,081,508)
Other income, gains and losses	4	<b>133,376</b>	1,059,889
Write down of inventories to net realisable value		<b>(301,339)</b>	(536,298)
Impairment losses under expected credit loss model, net of reversal		<b>7,116</b>	2,278
Operating expenses		<b>(10,547,064)</b>	(12,702,497)
Finance costs		<b>(38,749)</b>	(75,820)
(Loss) before tax		<b>(7,118,818)</b>	(13,333,956)
Income tax expense	5	–	–
(Loss) and total comprehensive expenses attributable to the shareholders of the Company for the period	6	<b>(7,118,818)</b>	(13,333,956)
(Loss) per share			
Basic	7	<b>(0.01)</b>	(0.01)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

	Share capital	Share premium	Merger reserve	Legal reserve	Accumulated losses	Total
	HK\$	HK\$	(Note (a)) HK\$	(Note (b)) HK\$	HK\$	HK\$
As at 1 January 2023 (Audited)	10,000,000	55,098,836	(3,416,148)	504,489	(43,918,383)	18,268,794
Loss and total comprehensive expenses for the period	-	-	-	-	(7,118,818)	(7,118,818)
<b>As at 30 September 2023 (Unaudited)</b>	<b>10,000,000</b>	<b>55,098,836</b>	<b>(3,416,148)</b>	<b>504,489</b>	<b>(51,037,201)</b>	<b>11,149,976</b>
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 expenses 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

Notes:

- (a) The balance of merger reserve represented the share capital of a subsidiary prior to the group reorganisation as part of initial public offering of the Company (the “**Reorganisation**”) and the difference between the nominal value of the shares of the Company issued for the acquisition of that subsidiary and the carrying amount of total equity of that subsidiary at the date of completion of the Reorganisation.
- (b) In accordance with provision of the Macau Commercial Code, the Group’s subsidiaries incorporated in the Macau SAR are required to transfer a minimum of 25% of the profit after taxation each year to the legal reserve until the balance meets 50% of their registered capital. The reserve is not distributable to shareholders.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

## 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 VM 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 2022. 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 2023

### 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	
	2023 HK\$ Unaudited	2022 HK\$ Unaudited
<b>EGE Business:</b>		
— Technical sales and distribution of EGE	<b>6,885,422</b>	998,305
— Consultancy and technical services	<b>5,012,195</b>	2,025,131
— Repair services	<b>997,032</b>	317,458
	<b>12,894,649</b>	3,340,894
<b>Smart VM Business:</b>		
— Smart VM	<b>1,695,522</b>	678,462
— Leasing of Smart VM	<b>20,764</b>	—
— Franchisee	<b>3,660</b>	—
	<b>1,719,946</b>	678,462
<b>Total</b>	<b>14,614,595</b>	4,019,356

#### Geographical information

The Group primarily operates in Macau SAR and 79% of the Group's revenue was derived from customers in Macau SAR during the Period and 21% of revenue was derived from customers outside Macau SAR. For the Corresponding Period, 92% of the revenue was derived from customers in Macau SAR and 8% 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 2023

### 4. OTHER INCOME, GAINS AND LOSSES

	Nine months ended 30 September	
	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
	Unaudited	Unaudited
Interest income on finance leases	–	–
Interest income on rental deposits	293	5,550
Bank interest income	30,478	367
Net foreign exchange gain/(loss)	32,874	(47,260)
Other income	69,731	1,101,232
	<b>133,376</b>	<b>1,059,889</b>

### 5. INCOME TAX EXPENSE

	Nine months ended 30 September	
	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
	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 2023

### 6. (LOSS) FOR THE PERIOD

	Nine months ended 30 September	
	2023	2022
	HK\$	HK\$
	Unaudited	Unaudited
(Loss) for the period has been arrived at after charging:		
Directors' remuneration	<b>1,651,607</b>	2,339,581
Other staff costs		
— salaries and allowances	<b>5,492,279</b>	7,151,695
— retirement benefits scheme contributions	<b>30,519</b>	34,485
Total staff costs	<b>7,174,405</b>	9,525,761
Auditor's remuneration	<b>704,650</b>	789,029
Depreciation of property and equipment	<b>459,446</b>	410,495
Depreciation of right-of-use assets	<b>418,913</b>	388,768
Cost of inventories recognised as an expense	<b>6,289,091</b>	965,716

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

## 7. (LOSS) PER SHARE

The calculation of the basic (loss) per share for each of the periods ended 30 September 2022 and 2023 is based on the following data:

	Nine months ended 30 September	
	2023	2022
	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"))	<b>(7,118,818)</b>	(13,333,956)
	<b>2023</b>	2022
	<b>'000</b>	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss) per share	<b>1,000,000</b>	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.

During the Period, revenues from the technical sales and distribution of EGE had increased by approximately 590% and repair services had increased by approximately 214%, the increase in revenue from its consulting and technical services segment of approximately 147.5%, 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 vending machines (“**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. Overall, the Group’s Smart VM Business can be divided into: (1) the product sales through Smart VM; and (2) the leasing of Smart VM.

## 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 2023, the Group has installed 34 VMs and 18 coffee VMs of various types in Macau SAR. The Smart VM Business performance for the Period generated a revenue of approximately HK\$1.72 million, and a gross profit of approximately HK\$0.20 million. Total capital expenditures on VMs were approximately HK\$2.73 million.

### FORWARD OUTLOOK

Our goal for 2023 is to get back to profitability post-COVID. With Macau SAR's gaming and travel sectors slowly returning to pre-COVID levels, the Group's business has improved significantly. Our 2023 third quarterly results reflect this turn-around. We expect 2023 fourth quarterly performance will continue to improve. Improved income can be expected from increases in technical sales and distribution of EGEs as casinos in Macau SAR implement long-delayed upgrades to their existing EGEs to meet customer demand. We feel optimistic that we will get back to profitability fairly soon.

Looking forward, as Macau SAR's gaming sector continues to improve, we believe that the Group is poised for growth. The Group is ideally placed to offer more products and services to our casino customers given our extensive relationships. The Group is currently exploring several opportunities, which hopefully can come to fruition.

### FINANCIAL REVIEW

#### Revenue

The revenue of the Group increased by approximately 263.6% from approximately HK\$4.0 million for the Corresponding Period to approximately HK\$14.6 million for the Period. The increase in revenue was mainly attributable to an increase of income derived from technical sales and distribution segment, consulting and technical services, repair services and Smart VM business by approximately 590%, 147.5%, 214% and 150% respectively, from the Corresponding Period. The increase was due to the Macau SAR's gaming and travel sectors slowly returning to pre-COVID levels.

## 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
	2023	2022	
	HK\$	HK\$	%
Technical sales and distribution of EGE	<b>6,885,422</b>	998,305	590%
Consultancy and technical services	<b>5,012,195</b>	2,025,131	147.5%
Repair services	<b>997,032</b>	317,458	214%
Smart VM	<b>1,695,522</b>	678,462	150%
Leasing of Smart VM	<b>20,764</b>	–	–
Franchisee	<b>3,660</b>	–	–
	<b>14,614,595</b>	4,019,356	263.6%

### 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 2023

Breakdown by revenue streams	Technical sales and distribution of EGE	Consultancy and technical services	Repair services	Smart VM	Leasing of Smart VM	Franchisee	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Revenue	6,885,422	5,012,195	997,032	1,695,522	20,764	3,660	14,614,595
Cost of sales and services	(5,755,168)	(2,707,000)	(1,000,645)	(1,522,770)	–	(1,170)	(10,986,753)
Gross profit	1,130,254	2,305,195	(3,613)	172,752	20,764	2,490	3,627,842
Gross profit margin	16.4%	46%	(0.4%)	10.2%	100%	68%	24.8%

## MANAGEMENT DISCUSSION AND ANALYSIS

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%)

Gross profit margins increased from approximately -26.9% for the Corresponding Period to approximately 24.8% for the Period. The increase in gross profit margins was mainly due to increase in gross profit margin in (i) technical sales and distribution of EGE from approximately -61.5% for the Corresponding Period to approximately 16.4% for the Period; (ii) repair services from approximately -131.8% for the Corresponding Period to approximately -0.4% for the Period; (iii) consultancy and technical services from approximately 10.9% for the Corresponding Period to approximately 46% for the Period; and (iv) Smart VM Business from approximately -39.9% for the Corresponding Period to approximately 10.2% for the Period.

### Operating Expenses

The Group's operating expenses decreased by approximately -17% from approximately HK\$12.7 million for the Corresponding Period to approximately HK\$10.5 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
	2023 HK\$	2022 HK\$	%
Directors' remuneration	<b>1,651,607</b>	2,339,581	(29.4%)
Other staff costs	<b>5,522,798</b>	7,186,180	(23.1%)



## MANAGEMENT DISCUSSION AND ANALYSIS

Directors' remuneration decreased by 29.4% to approximately HK\$1.7 million for the Period from approximately HK\$2.3 million for the Corresponding Period. Other staff costs decreased by approximately 23.1% for the Period as compared with those for the Corresponding Period, the decrease was attributable to the decrease of number of employees.

### Loss

The Group recorded an unaudited loss and other comprehensive expenses attributable to the Shareholders of approximately HK\$7.1 million for the Period as compared to that of approximately HK\$13.3 million for the Corresponding Period.

The decrease was mainly attributable to a 263.6% increase in revenue from the Corresponding Period to the Period, the increase was due to the Macau SAR's gaming and travel sectors slowly returning to pre-COVID levels.

### LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

During the Period, the Group financed its operations by its internal resources. As at 30 September 2023, the Group had net current assets of approximately HK\$8.4 million compared with approximately HK\$15.2 million as at 31 December 2022. As at 30 September 2023 and 31 December 2022, 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 2023 and 31 December 2022. There has been no change in the capital structure of the Company since 31 December 2022.

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.

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINGENT LIABILITIES

As at 30 September 2023 and 31 December 2022, the Group did not have any material contingent liabilities.

### EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group had a total of 35 employees (30 September 2022: 41). For the Period, the Group incurred staff costs, including Directors' remuneration, of approximately HK\$7.2 million (30 September 2022: approximately HK\$9.5 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 2023.

As at 1 January 2023 and 30 September 2023, the number of share options under the Scheme available to be granted are 100,000,000 Shares, respectively.

### CAPITAL COMMITMENTS

As at 30 September 2023, the Group had capital commitment of HK\$0.05 million (30 September 2022: approximately HK\$0.1 million).

### CHARGES ON GROUP'S ASSETS

As at 30 September 2023, the Group had no charges on its assets (31 December 2022: 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 2023, 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 Euro ("EUR"), HK\$ and MOP. For the Period, the Group had a net foreign exchange gain of HK\$32,874 (Corresponding Period: foreign exchange loss of HK\$47,260). This was attributable to exchange rate fluctuation of HKD against EUR during the Period of payables in EUR\$ 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 2023, 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 (" <b>Mr. Huie</b> ")	Beneficial owner	294,759,680 <small>Notes 1, 2, 3 &amp; 4</small>	29.47%
Mr. Ng Man Ho Herman (" <b>Mr. Ng</b> ")	Beneficial owner	289,259,680 <small>Notes 1, 2, 3 &amp; 4</small>	28.92%
Mr. Chan Chi Lun (" <b>Mr. Chan</b> ")	Beneficial owner	151,580,640 <small>Notes 1, 2, 3 &amp; 4</small>	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 Acting in 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 Acting in 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 Acting in 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.

*Note 4:* On 9 December 2022, Mr. Huie, Mr. Ng and Mr. Chan entered into a deed to terminate the Deed of Acting in Concert (the "**Termination Deed**"). Upon execution of the Termination Deed, Mr. Huie, Mr. Ng and Mr. Chan are no longer bound by the Deed of Acting in Concert and ceased to, inter alia, act in concert on the affairs of the Company.

\* 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 2023.

Save as disclosed above, as at 30 September 2023, 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 2023, 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, in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" 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, 8 November 2023

*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.*