



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

FIRST QUARTERLY REPORT 2023



Roulette



ELECTRONIC GAMING
EQUIPMENT AND SMART
VENDING SOLUTIONS IN
MACAU AND ASIA



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Asia Pioneer Entertainment Holdings Limited ~ First Quarterly Report 2023

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2023 FIRST QUARTERLY HIGHLIGHTS (UNAUDITED)

1. During the three months ended 31 March 2023 (the “**Period**”), the Group’s revenue amounted to approximately HK\$1.8 million, representing an increase of approximately 33.6% from approximately HK\$1.3 million recorded for the three months ended 31 March 2022 (the “**Corresponding Period**”). The increase in revenue was mainly due to the increases in revenue from repairs services and smart vending machines business of approximately 172.5% and 321.2%, respectively offset by the decreases in revenue from consulting and technical services and technical sales and distribution of electronic gaming equipments (“**EGEs**”) of 5.6% and 50.1%, respectively from the Corresponding Period.
2. The Group recorded a total comprehensive loss of approximately HK\$3.8 million for the Period representing a decrease in loss of approximately 11.6% from approximately HK\$4.3 million from the Corresponding Period. Such decrease in total comprehensive loss was mainly due to an increase in revenue from approximately HK\$1.3 million for the Corresponding Period to approximately HK\$1.8 million for the Period offset by the decrease in the operating expenses from approximately HK\$4.0 million for the corresponding period to approximately HK\$3.6 million for the Period.
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 2023

	NOTES	Three months ended 31 March	
		2023 HK\$ Unaudited	2022 HK\$ Unaudited
Revenue	3	1,763,467	1,320,405
Cost of sales and services		(2,026,231)	(1,549,242)
Gross (loss)		(262,764)	(228,837)
Other income, gains and losses	4	72,914	(30,637)
Write-down of inventories to net realisable value		(6,074)	–
Impairment losses under expected credit		904	5,910
Operating expenses		(3,561,806)	(3,986,745)
Finance costs		(14,778)	(24,935)
(Loss) before tax		(3,771,604)	(4,265,244)
Income tax expense	5	–	–
(Loss) and total comprehensive expenses attributable to shareholders of the Company for the period	6	(3,771,604)	(4,265,244)
(Loss) per share			
Basic	7	(0.004)	(0.004)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Legal reserve HK\$	Accumulated profits/(loss) HK\$	Total 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	-	-	-	-	(3,771,604)	(3,771,604)
As at 31 March 2023 (Unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(47,689,987)	14,497,190
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	-	-	-	-	(4,265,244)	(4,265,244)
As at 31 March 2022 (Unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(33,442,266)	28,744,911

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 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**" or "**Macau**") 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 principal lines of business. Firstly, it is a supplier of EGEs to casinos in Macau and Asia (the "**EGE Business**"). Secondly, it is an operator of smart vending machines in Macau 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 (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 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 three months ended 31 March 2023

3. REVENUE AND SEGMENT INFORMATION

The Group now has two principal 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 two operating segments and further discrete financial information and analysis of these two segments are presented.

Revenue from major products and services

	Three months ended 31 March	
	2023 HK\$ Unaudited	2022 HK\$ Unaudited
EGE Business:		
— Technical sales and distribution of EGEs	218,829	438,374
— Consulting and technical services	570,011	603,974
— Repair services	360,316	132,211
	1,149,156	1,174,559
Smart VM Business:		
— Sale of own goods	609,010	143,386
— Consignment sale	5,301	2,460
	614,311	145,846
Total	1,763,467	1,320,405

Geographical information

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

4. OTHER INCOME, GAINS AND LOSSES

	Three months ended	
	31 March	
	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
	Unaudited	Unaudited
Bank interest income	10,459	163
Net foreign exchange gain/(loss)	8,195	(33,213)
Others	54,113	563
Effective interest income on rental deposit	147	1,850
	72,914	(30,637)

5. INCOME TAX EXPENSE

	Three months ended	
	31 March	
	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
	Unaudited	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”) 600,000 (equivalent to approximately HK\$583,000) for the Period.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

6. (LOSS) FOR THE PERIOD

	Three months ended	
	31 March	
	2023	2022
	HK\$	HK\$
	Unaudited	Unaudited
(Loss) for the period has been arrived at after charging:		
Directors' remuneration	710,970	779,860
Other staff costs		
— salaries and allowances	2,086,979	2,367,597
— retirement benefits scheme contributions	8,709	11,767
	2,095,688	2,379,364
Total staff costs	2,806,658	3,159,224
Auditor's remuneration	203,883	233,010
Depreciation of property and equipment	152,819	112,683
Cost of inventories recognised as an expense	427,726	318,713
Minimum lease payment in respect of rental premises	169,295	142,566
Depreciation of right-of-use assets	139,178	98,813

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

7. (LOSS) PER SHARE

The calculation of the basic (loss) per share for each of the Period and the Corresponding Period is based on the following data:

	Three months ended 31 March	
	2023 HK\$ Unaudited	2022 HK\$ Unaudited
(Loss)		
(Loss) for the purpose of calculating basic (loss) per share (loss for the period attributable to shareholders of the Company)	(3,771,604)	(4,265,244)
	2023 '000	2022 '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 has two principal lines of business: 1) the EGE Business; and 2) the Smart VM Business.

EGE Business:

The Group has been engaged in the EGE Business in Macau SAR since 2005 where it is a licensed supplier of EGE to all six of Macau's casino concessionaires. The Group also supplies EGE to land-based 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 Group's EGE Business performance for the first quarter of 2023 in Macau SAR and Southeast Asia was as follows:

Revenues for technical sales and distribution of EGE products and consulting and technical services recorded decreases of 50.1% and 5.6%, respectively for the Period over the Corresponding Period, this was offset by the increase in revenue in its repairs services segment of 172.5% over the same 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 vending machines (the "**VMs**") selling various Macau sourced products to travellers to Macau SAR as well as domestic consumers in Macau SAR and the GBA. The Group operates and markets its smart VMs under its own registered brands and logos in both Macau SAR and China. In Macau SAR, the Group's VMs are marketed under the KatKatMall logo providing diversified products based on the location and selling different snacks, drinks and souvenirs etc. and its coffee VMs are marketed under the Katffee logo, providing premium organic fresh ground Macau coffee products or other beverages for tourists and local consumers. Furthermore, the Group also operates and markets customised VMs with well known product partners, for example, it operates Choi Heung Yuen ("**CHY**") VMs specifically for CHY products, which have been operated in various transportation hubs and hotels 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 31 March 2023, the Group has installed 24 VMs + 22 coffee VMs of various types in Macau SAR. The Smart VM Business performance for the first quarter of 2023 generated a revenue of approximately HK\$0.61 million, and a gross profit of approximately HK\$0.05 million. Total capital expenditures on VMs totalled approximately HK\$2.7 million.

FORWARD OUTLOOK

Despite the uncertainty on novel coronavirus disease (the "COVID-19") which affected the operations and plans of our customers for the past three years, the Group is confident that our core EGE Business and Smart VM Business will recover post-COVID as tourist, mass gamers, consumers and business return to Macau and Asian region. The Group is committed to driving the Company back to profitability this year.

Other than its EGE Business and Smart VM Business, the Group continues to proactively seek opportunities to diversify its businesses. As Macau transitions from a pure gambling hub, more emphasis will be placed on non-gaming businesses, including technologies and other non-gaming services. The Group will seek diversification opportunities that suit the Group's competitive advantages.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Company increased by approximately 33.6% from approximately HK\$1.3 million for the Corresponding Period to approximately HK\$1.8 million for the Period. The increase in revenue was mainly due to the increases of income derived from repair services and Smart VM Business segment of approximately 172.5% and 321.2%, respectively as compared to those 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		
	2023	2022	%
	HK\$	HK\$	
Technical sales and distribution of EGE	218,829	438,374	(50.1%)
Consulting and technical services	570,011	603,974	(5.6%)
Repair services	360,316	132,211	172.5%
Smart VM Business	614,311	145,846	321.2%
	1,763,467	1,320,405	33.6%

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 2023

Breakdown by revenue streams	Technical sales and distribution of EGE	Consulting and technical services	Repair services	Smart VM Business	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Revenue	218,829	570,011	360,316	614,311	1,763,467
Cost of sales and services	(444,400)	(655,369)	(366,821)	(559,641)	(2,026,231)
Gross profit/(loss)	(225,571)	(85,358)	(6,505)	54,670	(262,764)
Gross profit/(loss) ratio	(103.1%)	(15%)	(1.8%)	8.9%	(14.9%)

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended 31 March 2022

Breakdown by revenue streams	Technical sales and distribution of EGE HK\$	Consulting and technical services HK\$	Repair services HK\$	Smart VM Business HK\$	Total HK\$
Revenue	438,374	603,974	132,211	145,846	1,320,405
Cost of sales and services	(573,324)	(593,496)	(217,340)	(165,082)	(1,549,242)
Gross profit/(loss)	(134,950)	10,478	(85,129)	(19,236)	(228,837)
Gross profit/(loss) ratio	(30.8%)	1.7%	(64.4%)	(13%)	(17.3%)

Gross profit margin overall increased from approximately -17.3% for the Corresponding Period to approximately -14.9% for the Period.

Operating Expenses

The Group's operating expenses decreased from HK\$4.0 million for the Corresponding Period to HK\$3.6 million for the Period.

	Three months ended 31 March		Period-on- period change
	2023	2022	
	HK\$	HK\$	%
Directors' remuneration	710,970	779,860	(8.83%)
Other staff costs	2,095,688	2,379,364	(11.92%)

Directors' remuneration decreased by approximately 8.83% for the period as compared to that for the Corresponding Period. Other staff costs decreased by approximately 11.92% for the Period as compared to that for the Corresponding Period due to a decrease in staff headcount.

Loss

The Group recorded an unaudited net loss attributable to the shareholders of the Company (the "Shareholders") of approximately HK\$3.8 million for the Period as compared to a net loss of approximately HK\$4.3 million for the Corresponding Period.

This decrease in loss was mainly due to a rise in revenue from approximately HK\$1.3 million for the Corresponding Period to approximately HK\$1.8 million for the Period offset by the decrease in the operating expenses from approximately HK\$4.0 million for the Corresponding Period to approximately HK\$3.6 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 2023, the Group had net current assets of approximately HK\$11.4 million versus approximately HK\$15.2 million as at 31 December 2022. The decrease in net current assets was mainly attributed to a decrease in cash flow of approximately HK\$2.2 million and increase in contract liabilities of approximately HK\$1.6 million. As at 31 March 2023, 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 2023. 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 and the Company's 2022 annual report, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2023, the Group had a total of 35 employees (31 March 2022: 45). For the Period, the Group incurred staff costs, including Directors' remuneration of approximately HK\$2.8 million (31 March 2022: approximately HK\$3.2 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 2023, there were no outstanding share options and no share options lapsed or were exercised or cancelled during the Period.

CAPITAL COMMITMENTS

As at 31 March 2023, the Group had capital commitment of HK\$53,348 (31 December 2022: approximately HK\$0.05 million).

CHARGES ON GROUP'S ASSETS

As at 31 March 2023, the Group had no charges on the Group's assets (31 December 2022: 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 2023, all cash on hand was deposited with licensed financial institutions in Hong Kong Special Administrative Region and Macau SAR.

MANAGEMENT DISCUSSION AND ANALYSIS

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, European dollars ("EUR"), HK\$ and MOP. The main exposure to foreign currency fluctuations comes from daily operating expenses and supplies in HK\$. For the Period, the Group's net foreign exchange gain was HK\$8,196. This was attributable to the fluctuation of exchange rate of HK\$ against EUR.

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 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 (" Mr. Huie ")	Beneficial owner	294,759,680 <small>Note 1,2,3,&4</small>	29.47%
Mr. Ng Man Ho Herman (" Mr. Ng ")	Beneficial owner	289,259,680 <small>Note 1,2,3,&4</small>	28.92%
Mr. Chan Chi Lun (" Mr. Chan ")	Beneficial owner	151,580,640 <small>Note 1,2,3,&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 31 March 2023.

Save as disclosed above, as at 31 March 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 31 March 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) 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 2023 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 provisions 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 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 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.