



Asia Pioneer Entertainment Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 8400

TOTAL SOLUTIONS PROVIDER FOR  
**ELECTRONIC GAMING  
EQUIPMENT IN  
MACAU AND ASIA**

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## 2020 FIRST QUARTERLY HIGHLIGHTS (UNAUDITED)

1. During the three months ended 31 March 2020 (the “**Period**”), the Group’s revenue amounted to approximately HK\$2.4 million, representing a decrease of approximately 70.1% from approximately HK\$8.0 million recorded for the three months ended 31 March 2019 (the “**Corresponding Period**”). The decrease in revenue was mainly attributable to a decrease of income derived from technical sales and distribution of electronic gaming equipment (the “**EGE**”) of approximately 84.6%, for the Period as compared with that for the Corresponding Period.
2. The Group recorded a total comprehensive loss of approximately HK\$4.1 million for the Period from approximately HK\$1.9 million for the Corresponding Period, representing an increase of approximately 115%. Such increase in total comprehensive loss was mainly due to a slowdown of new orders as a result of the impact of novel coronavirus disease (**COVID-19**) on the operations of our major customers — the casino operators in the Macau Special Administrative Region (“**Macau SAR**”). Also, the temporary closure of the casino operations during February 2020 by the government of Macau SAR has delayed and cancelled orders of EGE.
3. The board of Directors (the “**Board**”) has resolved not to declare the payment of a 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 2020

	NOTES	Three months ended 31 March	
		2020 HK\$ Unaudited	2019 HK\$ Unaudited
Revenue	3	<b>2,380,381</b>	7,964,619
Cost of sales and services		<b>(1,697,221)</b>	(5,099,427)
Gross profit		<b>683,160</b>	2,865,192
Other income, gains and losses	4	<b>596,942</b>	617,830
Impairment losses under expected credit		<b>32,739</b>	–
Operating expenses		<b>(5,364,551)</b>	(5,399,453)
Finance Costs		<b>(34,603)</b>	–
(Loss) before tax		<b>(4,086,313)</b>	(1,916,431)
Income tax expense	5	–	–
(Loss) and total comprehensive expenses attributable to shareholders of the Company for the period	6	<b>(4,086,313)</b>	(1,916,431)
(Loss) per share			
Basic	7	<b>(0.004)</b>	(0.002)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Legal reserve HK\$	Accumulated profits HK\$	Total HK\$
As at 1 January 2019 (Audited)	10,000,000	55,098,836	(3,416,148)	504,489	28,981,211	91,168,388
Loss and total comprehensive expenses for the period	-	-	-	-	(1,916,431)	(1,916,431)
As at 31 March 2019 (Unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	27,064,780	89,251,957
As at 1 January 2020 (Audited)	10,000,000	55,098,836	(3,416,148)	504,489	25,932,189	88,119,366
Loss and total comprehensive expenses for the period	-	-	-	-	(4,086,313)	(4,086,313)
<b>As at 31 March 2020 (Unaudited)</b>	<b>10,000,000</b>	<b>55,098,836</b>	<b>(3,416,148)</b>	<b>504,489</b>	<b>21,845,876</b>	<b>84,033,053</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2020

## 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 PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company in the Macau SAR is located at EM Macau, Estrada Marginal Do Hipódromo N°S 56–66, Industrial Lee Cheung F10. The shares of the Company (the "**Shares**") in issue have been listed on GEM since 15 November 2017 (the "**Listing Date**" and the "**Listing**", respectively).

The Company is an investment holding company and its subsidiaries are principally engaged in (i) technical sales and distribution of EGEs to land-based casinos; (ii) consulting and technical services; (iii) repair services; (iv) sales of refurbished electronic gaming machines ("**EGMs**"); and (v) the lease sales of EGE.

## 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 2019. 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 2020

### 3. REVENUE AND SEGMENT INFORMATION

The Group is engaged in (1) technical sales and distribution of EGE; (2) consulting and technical services; (3) repair services; (4) sales of refurbished EGMs and (5) lease sales of EGE.

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

#### Revenue from major products and services

	Three months ended	
	31 March	
	2020	2019
	HK\$	HK\$
	Unaudited	Unaudited
Technical sales and distribution of EGE	<b>1,007,107</b>	6,539,281
Consulting and technical services	<b>879,825</b>	647,642
Repair services	<b>493,449</b>	777,696
	<b>2,380,381</b>	7,964,619

#### Geographical information

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

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2020

### 4. OTHER INCOME, GAINS AND LOSSES

	Three months ended 31 March	
	2020	2019
	HK\$	HK\$
	Unaudited	Unaudited
Bank interest income	50,000	68,820
Net foreign exchange gain	91,206	9,084
Finance Income	453,561	537,490
Others	174	2,436
Effective interest income on rental deposit	2,001	–
	<b>596,942</b>	617,830

### 5. INCOME TAX EXPENSE

	Three months ended 31 March	
	2020	2019
	HK\$	HK\$
	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”) MOP600,000 (equivalent to approximately HK\$583,000) for the Period.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2020

### 6. (LOSS) FOR THE PERIOD

	Three months ended 31 March	
	2020 HK\$ Unaudited	2019 HK\$ Unaudited
(Loss) for the period has been arrived at after charging:		
Directors' remuneration	<b>913,029</b>	849,437
Other staff costs		
— salaries and allowances	<b>2,588,323</b>	2,504,917
— retirement benefits scheme contributions	<b>11,010</b>	10,165
	<b>2,599,333</b>	2,515,082
Total staff costs	<b>3,512,362</b>	3,364,519
Auditor's remuneration	<b>291,262</b>	291,562
Depreciation of property and equipment	<b>468,462</b>	518,223
Cost of inventories recognised as an expense	<b>664,435</b>	3,976,575
Minimum lease payment in respect of rental premises	—	286,030
Depreciation of right-of-use assets	<b>351,609</b>	—

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2020

### 7. (LOSS) PER SHARE

The calculation of the basic (loss) per share for each of the periods ended 31 March 2019 and 2020 is based on the following data:

	Three months ended 31 March	
	2020 HK\$ Unaudited	2019 HK\$ Unaudited
(Loss)		
(Loss) for the purpose of calculating basic (loss) per share (loss for the period attributable to shareholders of the Company)	<b>(4,086,313)</b>	(1,916,431)
	2020 '000	2019 '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 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 the payment of a dividend for the Period (Corresponding Period: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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

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

The Group's strategic objective is to strengthen its distribution of EGE in Macau SAR whilst at the same time continuing to extend its business into Southeast Asia markets. The Company was successfully listed on GEM on the Listing Date. The net proceeds raised from the Listing (the "**Net Proceeds**") have strengthened the Group's financial position and we shall implement our future plans according to the details as disclosed in the section headed "Statement of Business Objectives and Use of Proceeds" in the prospectus of the Company dated 31 October 2017 (the "**Prospectus**").

The Group's performance for the Period was affected by the outbreak of the COVID-19 in Macau SAR and Southeast Asia during the first quarter of 2020. In Macau SAR, the government ordered all casinos to cease operations in February 2020 for 2 weeks<sup>1</sup> and imposed stringent travel restrictions on visitors, and hence, limited the business of the casino operators. Similarly, in Southeast Asia, most casino operators have been ordered to cease operations in March 2020 and as at the date of this report, many operators have not been reopened.

As a result, the Group has seen a weaker demand for technical sales and distribution of EGE products as our customers' businesses have been directly affected by the COVID-19. During the Period, the Group has seen some orders for EGE either delayed or cancelled.

<sup>1</sup> Macau SAR casinos were allowed to reopen on 20 February 2020.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FORWARD OUTLOOK

The Group is hopeful that the impact of the COVID-19 is a temporary phenomenon and that most land-based operators can resume operations by the middle of 2020 and business levels will be back to pre COVID-19 levels by 2021.

The Group will continue to expand its business beyond Macau SAR into Southeast Asia markets through sales and distribution as well as equipment leasing opportunities.

However, the impact on government casino closures in both Kingdom of Cambodia and Republic of the Philippines (“**Philippines**”) has affected the operating performance of our lessees Siam Star Leisure Co., Ltd (“**Siam Star**”) and GLIMEX INC. (“**Glimex**”), respectively. In light of this, the Group has decided to delay the new operating lease with Glimex in the Philippines in February 2020 and will monitor the existing lease payments of the existing financial leases with Glimex and Siam Star, respectively.

Looking forward, the Group is carefully evaluating new business models which will diversify away from its existing EGE sales, distribution and leasing business.

### FINANCIAL REVIEW

#### Revenue

The revenue of the Company decreased by approximately 70.1% from approximately HK\$8.0 million for the Corresponding Period to approximately HK\$2.4 million for the Period. The decrease in revenue was mainly attributed to a decrease of income derived from technical sales and distribution of approximately 84.6% for the Period as compared with that for the Corresponding Period.

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

Revenue from major products and services	Three months ended		Period-on-period change
	31 March		
	2020	2019	%
	HK\$	HK\$	
Technical sales and distribution of EGE	1,007,107	6,539,281	(84.6%)
Consulting and technical services	879,825	647,642	35.9%
Sales of refurbished EGMS	—	—	—
Lease sales of EGMS	—	—	—
Repair services	493,449	777,696	(36.5%)
	2,380,381	7,964,619	(70.1%)

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 2020

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

#### For the three months ended 31 March 2019

Breakdown by revenue streams	Technical sales and distribution of EGE HK\$	Consulting and technical services HK\$	Repairs services HK\$	Sales of refurbished EGMs HK\$	Lease sales of EGMs HK\$	Total HK\$
Revenue	6,539,281	647,642	777,696	-	-	7,964,619
Cost of sales and services	(4,504,894)	(312,459)	(282,074)	-	-	(5,099,427)
Gross profit	2,034,387	335,183	495,622	-	-	2,865,192
Gross profit ratio	31.1%	51.7%	63.7%	-	-	35.9%

Gross profit margin overall decreased from approximately 35.9% for the Corresponding Period to approximately 28.7% for the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operating Expenses

The Group's operating expenses for the Period remained the same of HK\$5.4 million as the Corresponding Period.

	Three months ended		Period-on- period change %
	31 March		
	2020 HK\$	2019 HK\$	
Directors' remuneration	913,029	849,437	7.5%
Other staff costs	2,599,333	2,515,082	3.3%

Directors' remuneration increased by approximately 7.5% to approximately HK\$913,029 for the Period from approximately HK\$849,437 for the Corresponding Period due to the appointment of an additional Director.

### Profit and Loss

The Group recorded an unaudited net loss attributable to the shareholders of the Company (the "**Shareholders**") of approximately HK\$4.1 million for the Period as compared to a net loss of approximately HK\$1.9 million for the Corresponding Period.

This loss was mainly due to a drop in revenue from approximately HK\$8.0 million for the Corresponding Period to approximately HK\$2.4 million for the Period.

### USE OF PROCEEDS FROM LISTING

The Net Proceeds received by the Company after deducting underwriting fees and other Listing expenses were approximately HK\$40.0 million. The intended use of the Net Proceeds has been disclosed in the section headed "Statement of Business Objectives and Use of Proceeds" in the Prospectus. Unutilised Net Proceeds as at 31 March 2020 amounted to approximately HK\$1.16 million (31 December 2019: approximately HK\$1.19 million), and are deposited in a licensed bank in Hong Kong. The Company intends to use the remaining Net Proceeds in the coming years in accordance with the purposes set out in the Prospectus.

## MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 March 2020, the Group has utilised the Net Proceeds as follows:

	Percentage to total amount	Intended use of Net Proceeds <i>HK\$ million</i>	Amount utilised during the Period <i>HK\$ million</i>	Amount utilised as at 31 March 2020 <i>HK\$ million</i>	Amount unutilised as at 31 March 2020 <i>HK\$ million</i>
Upfront deposits for manufacturers to provide more trial products	41.5%	16.60	–	15.7	0.9
Procuring EGE for lease to casino operators in Macau SAR	17.8%	7.10	–	7.10	–
Procuring and refurbishment of used EGE for resales	13.2%	5.30	–	5.30	–
Enhancing market recognition in Macau SAR and Southeast Asia and strengthening in-house capability to provide repair services	17.3%	6.90	–	6.90	–
Relocation of office premises	0.7%	0.30	–	0.30	–
Purchase of tools and equipment and new Enterprise Resource Planning system	6.8%	2.70	0.03	2.44	0.26
General working capital	2.7%	1.10	–	1.10	–
	100%	40.00	0.03	38.84	1.16

## 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 2020, the Group had net current assets of approximately HK\$60.2 million versus approximately HK\$62.4 million as at 31 December 2019. The decrease in net current assets was mainly attributed to a decrease in trade and other receivable of approximately HK\$10.8 million. As at 31 March 2020, 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 2020. There has been no change in the capital structure of the Company since 31 December 2019. 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 the sections headed "Statement of Business Objectives and Use of Proceeds" and "Use of Proceeds", respectively in the Prospectus, the Group did not have any other plans for material investment or the capital assets as at 31 March 2020.

### SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS

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

### CONTINGENT LIABILITIES

As at 31 March 2020 and 31 December 2019, the Group did not have any material contingent liabilities.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2020, the Group had a total of 41 employees (31 March 2019: 42). For the Period, the Group incurred staff costs, including Directors' remuneration of approximately HK\$3.5 million (31 March 2019: approximately HK\$3.3 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 2020, there were no outstanding share options and no share options lapsed or were exercised or cancelled during the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL COMMITMENTS

As at 31 March 2020, capital commitment was approximately HK\$1.8 million.

### CHARGES ON GROUP'S ASSETS

As at 31 March 2020, the Group had no charges on the Group's assets (31 December 2019: 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 2020, all cash on hand was deposited with licensed financial institutions.

### CUSTOMER AND SUPPLIER RELATIONSHIPS

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

### FOREIGN CURRENCY EXPOSURE

The Group bills its customers mainly in United States dollars ("**USD**"), HK\$ and MOP. The main exposure to foreign currency fluctuations is through ordering from a major European supplier with invoices denominated in European dollars ("**Euro**"). For the Period, the Group was able to have a net foreign exchange gain of HK\$91,206. This was attributable to management's vigilance on the exchange rate fluctuation of USD against Euro by reducing the period of payables in Euro liabilities.

### DIVIDEND

The Board has resolved not to declare 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 31 March 2020, 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	725,100,000	72.51%
Mr. Ng Man Ho Herman ("Mr. Ng")	Beneficial owner	725,100,000	72.51%
Mr. Chan Chi Lun ("Mr. Chan")	Beneficial owner	725,100,000	72.51%

*Note:* On 14 January 2020, APE HAT Holdings Limited holding a total of 725,100,000 Shares had made a restructure and transferred 287,719,680, 287,719,680 and 149,660,640 Shares to Mr. Huie, the chairman of the Board and an executive Director, Mr. Ng, the chief executive officer of the Company and an executive Director and Mr. Chan, the chief financial officer of the Company and an executive Director, respectively. Pursuant to a deed of concert parties dated 10 March 2017 and signed by Mr. Huie, Mr. Ng and Mr. Chan, 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 the Hong Kong Special Administrative Region) since 1 January 2015 and will continue to act in the same manner in the Group upon the Listing. By virtue of the SFO, Mr. Huie, Mr. Ng and Mr. Chan are deemed to be interested in 725,100,000 Shares, representing 72.51% of the total number of Shares in issue, held by them altogether.

\* 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 2020.

## DISCLOSURE OF INTERESTS

Save as disclosed above, as at 31 March 2020, 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 2020, 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.

### COMPLIANCE ADVISER'S INTEREST IN THE COMPANY

As at 31 March 2020, as notified by the Company's compliance adviser, Southwest Securities (HK) Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement dated 16 March 2017 and entered into between the Company and the Compliance Adviser regarding the receipt of fees by the Compliance Adviser acting in such capacity (the "**Agreement**"), neither the Compliance Adviser nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. The Agreement lapsed on 31 March 2020.

### 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 2020 and up to the date of this report.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### REVIEW BY AUDIT COMMITTEE

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

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 2020

*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.*