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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE (THE "GEM")

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.

FINANCIAL HIGHLIGHTS

- The Company and its subsidiaries (collectively, the "**Group**") achieved an increase in revenue of 27% to approximately HK$110 million for the year ended 31 December 2018 (the "**Year**" or "**FY2018**") from approximately HK$86.1 million for the year ended 31 December 2017 ("**FY2017**").

- In line with the increase in revenue, the Group's gross profit increased by 38% to approximately HK$47.9 million in FY2018 from approximately HK$34.8 million in FY2017.

- The Group's profit and total comprehensive income increased by 361% to approximately HK$20.7 million in FY2018 from approximately HK$4.5 million in FY2017.

- Earnings per share attributable to the shareholders of the Company (the "**Shareholders**") was approximately HK$0.021 for FY2018 (FY2017: approximately HK$0.006).

- As of 31 December 2018, the Group's cash and cash equivalents amounted to approximately HK$47.5 million (31 December 2017: approximately HK$66.8 million).

The board of directors (the "**Directors**" and the "**Board**", respectively) of the Company is pleased to announce the audited consolidated annual results of the Group for FY2018 together with the comparative figures of FY2017. The information should be read in conjunction with the prospectus of the Company dated 31 October 2017 (the "**Prospectus**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

		Year ended 31 December	
		2018	2017
	Notes	***HK$***	*HK$*
Revenue of goods and services	*3*	**109,618,844**	86,063,958
Cost of sales and services		**(61,684,711)**	(51,233,577)
Gross profit		**47,934,133**	34,830,381
Other income, gains and losses	*4*	**171,076**	498,652
Impairment loss of financial assets	*5*	**(266,790)**	–
Operating expenses		**(23,654,366)**	(14,003,857)
Listing expenses		**–**	(14,202,195)
Finance costs		**(74,332)**	–
Profit before tax		**24,109,721**	7,122,981
Income tax expense	*6*	**(3,408,450)**	(2,630,695)
Profit and total comprehensive income for the year	*7*	**20,701,271**	4,492,286
Earnings per share			
Basic	*9*	**0.021**	0.006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

		As at 31 December	
		2018	2017
	Notes	***HK$***	*HK$*
NON-CURRENT ASSETS			
Property and equipment		**5,104,929**	619,190
Deposit for property and equipment		**1,400,000**	1,553,398
Finance lease receivables		**24,871,684**	–
Rental deposit		**180,000**	180,000
		31,556,613	2,352,588
CURRENT ASSETS			
Inventories		**2,337,484**	1,457,065
Finance lease receivables		**5,522,526**	–
Trade and other receivables	*10*	**28,708,350**	21,977,263
Pledged bank deposit		**5,000,000**	–
Fixed bank deposit		**40,152**	40,077
Bank balances and cash		**47,507,886**	66,751,020
		89,116,398	90,225,425
CURRENT LIABILITIES			
Trade and other payables	*11*	**24,114,781**	18,548,164
Tax payable		**5,389,842**	3,562,732
		29,504,623	22,110,896
NET CURRENT ASSETS		**59,611,775**	68,114,529
NET ASSETS		**91,168,388**	70,467,117
CAPITAL AND RESERVES			
Share capital	*12*	**10,000,000**	10,000,000
Reserves		**81,168,388**	60,467,117
		91,168,388	70,467,117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL

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 Macau SAR is located at EM Macau, Estrada Marginal do Hipódromo N°S 56-66, Industrial Lee Cheung F10. The issued shares of the Company have been listed on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 15 November 2017.

APE HAT Holdings Limited ("**APE HAT**"), a company incorporated in the British Virgin Islands (the "**BVI**"), is the immediate holding company of the Company, and, in the opinion of the Directors, is also the ultimate holding company of the Company.

The Company is an investment holding company and its subsidiaries are principally engaged in (1) procurement, distribution, assistance in fulfilling the requirement from relevant government authorities and installation of electronic gaming equipment and spare parts and the related after sales services to casino operators ("**Technical Sales and Distribution of Electronic Gaming Equipment**"); (2) the provision of consulting services to manufacturers of electronic gaming equipment including (a) regulatory consultancy; (b) product design and content consultancy; (c) localisation consultancy; and (d) on-site consultancy ("**Consultancy and Technical Services**"); (3) the provision of repair services to casino operators ("**Repair Services**"); (4) procuring and refurbishment of used electronic gaming equipment for resale ("**Sales of Refurbished Electronic Gaming Machines**"); and (5) procuring and lease sales of electronic gaming equipment to oversea markets ("**Lease Sales of Electronic Gaming Equipment**").

Prior to the incorporation of the Company and the completion of the reorganisation, the main operating activities of the Group were carried out by Asia Pioneer Entertainment Limited ("**APE Macau**"), a 99.8% owned subsidiary of APE BVI, which is under the control of Mr. Huie, Mr. Ng and Mr. Chan. Mr. Huie, Mr. Ng and Mr. Chan have 38.33%, 38.33% and 20% beneficial interests in APE BVI, respectively. Each of Mr. Huie and Mr. Ng also held 10 shares in APE Macau, representing 0.1% beneficial interest in APE Macau. On 10 March 2017, the Controlling Equity Holders executed an acting in concert confirmation whereby they confirmed the existence of their acting in concert arrangements in the past, present and future to collectively control over the Group's business.

Pursuant to the reorganisation, the Company became the holding company of the companies now comprising the Group on 14 March 2017. Since the Controlling Equity Holders control all the companies comprising the Group before and after the reorganisation, the Group comprising the Company and its subsidiaries is regarded as a continuing entity. The consolidated financial statements have been prepared on the basis as if the Company has always been the holding company of the Group using the principle of merger accounting.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), while the functional currency of the Company is United States dollars ("**US$**") as it is the currency of the primary economic environment in which the group entities operate.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs that are mandatory effective for the current year

The Group has applied the following new and amendments to IFRSs issued by International Accounting Standards Board ("**IASB**") for the first time in the current year:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014 — 2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 IFRS 15 Revenue from Contracts with Customers

The Group has applied IFRS 15 for the first time in the current year. IFRS 15 superseded IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 *Revenue* and IAS 11 *Construction Contracts* and the related interpretations.

The Group's revenue from contracts with customers primarily consist of the following sources:

- Technical Sales and Distribution of Electronic Gaming Equipment;
- Consultancy and Technical Services;
- Repair Services;
- Sales of Refurbished Electronic Gaming Machines; and
- Lease Sales of Electronic Gaming Equipment.

Information about the Group's performance obligations resulting from application of IFRS 15 is disclosed in note 3.

Effects arising from initial application of IFRS 15

At the date of initial application, the Group has assessed that the application of IFRS 15 does not have a material impact of transition to IFRS 15 on accumulated profits (or other components of equity, as appropriate) and the consolidated statement of financial position at 1 January 2018.

2.2 IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 *Financial Instruments* and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to financial instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to financial instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 *Financial Instruments: Recognition and Measurement.*

Impairment under ECL model

Effects arising from initial application of IFRS 9

As at 1 January 2018, the Group's financial assets consist of trade and other receivables, fixed bank deposit, and bank balances and cash that are recognised at amortised cost.

The Group applies the IFRS 9 simplified approach to measuring ECL using a lifetime expected loss allowance for all trade receivables.

ECL for other financial assets at amortised cost mainly comprise of other receivables, fixed bank deposit and bank balances, are measured on 12-month ECL ("**12m ECL**") basis as there had been no significant increase in credit risk since initial recognition.

The Group assessed that the application of IFRS 9 ECL model will not have a material impact on the trade receivables as at 1 January 2018 as the probability of default is immaterial. For other financial assets, including fixed bank deposit and bank balances, are also subject to the impairment requirements of IFRS 9, the expected loss allowance of these financial assets is also immaterial.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[2]
IFRIC 23	Uncertainty over Income Tax Treatments[1]
Amendments to IFRS 3	Definition of a Business[3]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IAS 1 and IAS 8	Definition of Material[5]
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015—2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2021
3 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
4 Effective for annual periods beginning on or after a date to be determined
5 Effective for annual periods beginning on or after 1 January 2020

Except for the new IFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, IFRS 16 requires sales and leaseback transactions to be determined based on the requirements of IFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. IFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right–of–use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Other than certain requirements which are also applicable to lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK$4,400,306. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK$180,000 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Upon application of IFRS 16, the Group will apply the requirements of IFRS 15 to assess whether sales and leaseback transaction constitutes a sale. For a transfer that does not satisfy the requirements as a sale, the Group will account for the transfer proceeds as financial liabilities within the scope of IFRS 9. In accordance with the transition provisions of IFRS 16, sale and leaseback transactions entered into before the date of initial application will not be reassessed but the new requirements may impact the Group's future sale and leaseback transactions.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this Standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated profits without restating comparative information.

3. REVENUE AND SEGMENT INFORMATION

The Group is engaged in (1) Technical Sales and Distribution of Electronic Gaming Equipment; (2) Consultancy and Technical Services; (3) Repair Services, (4) Sales of Refurbished Electronic Gaming Machines and (5) Lease Sales of Electronic Gaming Equipment.

A. For the year ended 31 December 2018

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2018					
	Technical Sales and Distribution of Electronic Gaming Equipment *HK$*	**Consulting and Technical Services** *HK$*	**Repair Services** *HK$*	**Sales of Refurbished Gaming Machines** *HK$*	**Lease Sales of Electronice Gaming Equipment)** *HK$*	**Total** *HK$*
Types of goods or service						
Technical Sales and Distribution of Electronic Gaming Equipment						
— Electronic Table Games (“**ETGs**”)	31,467,700	–	–	–	–	31,467,700
— Electronic Gaming Machines (“**EGMs**”)	30,458,049	–	–	–	–	30,458,049
— Spare Parts	3,708,367					3,708,367
	65,634,116	–	–	–	–	65,634,116
Consulting and Technical Services						
— Technical supports	–	7,717,468	–	–	–	7,717,468
— Consultancy services	–	800,000	–	–	–	800,000
		8,517,468				8,517,468
Repair Services	–	–	2,489,916	–	–	2,489,916
Sales of Refurbished Electronic Gaming Machines	–	–	–	2,507,231	–	2,507,231
Lease Sales of Electronics Gaming Equipment	–	–	–	–	30,470,113	30,470,113
Total	65,634,116	8,517,468	2,489,916	2,507,231	30,470,113	109,618,844
Geographical markets						
Macau SAR	64,671,338	8,517,468	2,484,825	2,507,231	–	78,180,862
Cambodia	–	–	–	–	20,275,226	20,275,226
Philippines	14,273	–	–	–	10,194,887	10,209,160
Others	948,505	–	5,091	–	–	953,596
Total	65,634,116	8,517,468	2,489,916	2,507,231	30,470,113	109,618,844
Timing of revenue recognition						
A point in time	65,634,116	5,931,456	2,489,916	2,507,231	30,470,113	107,032,832
Overtime	–	2,586,012	–	–	–	2,586,012
Total	65,634,116	8,517,468	2,489,916	2,507,231	30,470,113	109,618,844

(ii) Performance obligations for contracts with customers

Technical sales and Distribution of Electronic Gaming Equipment

The Group enters into contracts with customers (casino operators) for Technical Sales and Distribution of Electronic Gaming Equipment include the performance obligation (as a whole) including:

(a) Procurement and delivery of electronic gaming equipment;

(b) Assist in obtaining the local regulatory approval of the electronic gaming equipment, if need; and

(c) On-site installation of the electronic gaming equipment at the casino.

The directors of the Company considered the performance obligation as a whole is not distinct performance obligation and therefore, the revenue on Technical Sales and Distribution of Electronic Gaming Equipment is recognised where the control of the electronic gaming equipment fully is transferred to the customer; i.e. when the electronic gaming equipment approved by the local regulatory are delivered and installed.

Under the Group's standard contract terms, the customers do not have a right to exchange nor return the electronic gaming machines. Instead, the Group provides a sales-related warranty for technical supports on those electronic gaming equipment ranging from three months to one year since the invoice date. Such warranty associated with electronic gaming machines cannot be purchased separately and they serve as an assurance.

Income from Consulting and Technical Services

Income from Consulting and Technical Services is recognised over the contract period in accordance with the terms and substances of the contracts if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For the income from Consulting and Technical Services, which does not satisfy any criteria to be recognised over time, the consulting and technical service revenue is recognised upon the milestone completion in accordance with the terms and substances of the contracts.

Income from Repair Services

The Group enters into contracts with customers (casino operators) for repairing electronic gaming equipment. This service is a distinct and stand-alone contract separate from those contracts with customers for Technical Sales and Distribution of Electronic Gaming Equipment.

The directors of the Company considered that the control of the repaired electronic gaming equipment is transferred to the customer when the customer acknowledges the condition of repaired electronic gaming equipment upon delivery. The income of the repair services is recognised and payment of the transaction price is effective at the point when the repaired electronic gaming equipment is acknowledged by the customer. The normal credit term is 30 days since the invoice date.

Sales of Refurbished Electronic Gaming machines

The Group enters into contracts with customers (non-casino operators) for sales of refurbished Electronic Gaming Machine. This service is a distinct and stand-alone contract separate from those contracts with customers for Technical Sales and Distribution of Electronic Gaming Equipment.

The directors of the Company considered that the control of the refurbished Electronic Gaming Machines is transferred to the customer when the customer acknowledges and accepts the condition of the refurbished electronic gaming machines. Hence, the revenue and the payment is effective at the point when the customer acknowledges the refurbished Electronic Gaming Machines and duly signs the contracts. The normal credit terms are 30 days.

Lease Sales of Electronic Gaming Equipment including repair and maintenance services over the lease period

The Group enters into contracts with oversea customers for offer an option of either buying or leasing the assets. The Group is responsible for repair and maintenance of such electronic gaming equipment during the lease period and such repairing service is a distinct performance obligation of the lease sales contract with the customers.

As the repair and maintenance service is a separate non-lease component, the Group allocates the consideration for such service in the contracts. The income from the repair and maintenance service is recognised over time throughout the lease term.

With respect of the lease sales of electronic gaming equipment, the directors of the Company considered that the control of the lease sales of Electronic Gaming Machines is transferred to the customer when the customer acknowledges and accepts the condition of the electronic gaming machines. Hence, the revenue is effective at the point when the electronic gaming machine are delivered and acknowledged by customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue are as follows:

	Technical sales and distribution of Electronic Gaming Equipment *HK$*	**Consulting and Technical Services** *HK$*	**Repair Services** *HK$*
Within one year	32,494,953	254,153	79,117
More than one but not more than two years	–	–	73,903
More than two years	–	–	218,275
	32,494,953	254,153	371,295

B. For the year ended 31 December 2017

An analysis of the Group's revenue for the year is as follows:

Revenue from major products and services

	2017
	HK$
Technical Sales and Distribution of Electronic Gaming Equipment	72,785,924
Consulting and Technical Services	6,761,257
Repair Services	2,164,594
Sales of Refurbished Electronic Gaming Machines	4,352,183
	86,063,958

C. Entity-wide disclosure

Information about major customers

Revenue from customers individually contributing over 10% of the total sales of the Group of the corresponding years are as follows:

	2018	2017
	HK$	*HK$*
Customer A	28,890,114	N/A#
Customer B	20,275,226	13,173,145
Customer C	16,941,102	24,347,480
Customer D	N/A#	18,880,803

The corresponding revenue did not contribute over 10% of the Group's revenue.

The Group primarily operates in Macau SAR and substantially all of the non-current assets (excluding finance lease receivables) of the Group are located in Macau SAR. Accordingly, no geographical information on non-current asset has been presented.

Geographical information

The following table sets forth a breakdown of the Group's revenue during the year based on locations of the external customers:

	2018	2017
	HK$	*HK$*
Macau SAR	78,194,466	79,311,118
Malaysia	–	6,752,840
Cambodia	20,275,226	–
Philippines	10,209,160	–
Others	939,992	–
	109,618,844	86,063,958

4. OTHER INCOME, GAINS AND LOSSES

	2018	2017
	HK$	*HK$*
Other income		
Interest income on finance leases	**76,832**	–
Bank interest income	**156,752**	89,089
Commission income	**–**	87,317
Service handling income	**–**	286,274
Others	**225,651**	91,206
	459,235	553,886
Other gains and losses		
Loss on disposal of property and equipment	**(7,134)**	–
Net foreign exchange loss	**(281,025)**	(55,234)
	(288,159)	(55,234)
	171,076	498,562

5. IMPAIRMENT LOSSES OF FINANCIAL ASSETS

	2018
	HK$
Impairment losses recognised on:	
— Finance lease receivables	152,734
— Trade receivables — goods and services	114,056
Total	266,790

6. INCOME TAX EXPENSE

	2018	2017
	HK$	*HK$*
Current tax:		
Macau SAR Complementary Tax	**3,408,450**	2,630,695

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 both years.

The Group is not subject to any income tax in the Cayman Islands and the BVI pursuant to the rules and regulation in those jurisdictions.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2018	2017
	HK$	*HK$*
Profit before tax	**24,109,721**	7,122,981
Tax at the income tax rate of 12%	**2,893,167**	854,758
Effect of income that is not taxable in determining taxable profits	**(69,903)**	(69,903)
Tax effect of expenses not deductible for tax purpose	**585,186**	1,845,840
Income tax expense for the year	**3,408,450**	2,630,695

7. PROFIT FOR THE YEAR

	2018	2017
	HK$	*HK$*
Profit for the year has been arrived at after charging:		
Directors’ remuneration	**4,275,894**	1,650,020
Other staff costs		
— salaries and allowances	**10,814,747**	7,996,410
— retirement benefits scheme contributions	**31,495**	28,417
	15,122,136	9,674,847
Auditor’s remuneration	**1,480,000**	990,000
Depreciation of property and equipment	**1,444,170**	217,795
Cost of inventories recognised as an expense	**55,365,348**	45,281,064
Minimum lease payment in respect of rental premises	**1,366,847**	817,156

8. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: HK$6,500,000).

9. EARNINGS PER SHARE

The Company was listed on GEM of the Stock Exchange on 15 November 2017 by way of share offer of 250,000,000 new shares and capitalisations of 749,997,500 shares, resulting in 1,000,000,000 ordinary shares in issue. The calculation of the basic earnings per share for each of the years ended 31 December 2017 and 2018 is based on the following data:

	2018	2017
	HK$	*HK$*
Earnings		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to the owners of the Company)	**20,701,271**	4,492,286

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,000,000**	782,192

The number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 December 2017 has been retrospectively adjusted for the capitalisation issue of the shares of the Company completed on 15 November 2017 and assuming that the reorganisation had been effective on 1 January 2017.

No diluted earnings per share for the year was presented as there were no potential ordinary shares in issue during both years.

10. TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$	*HK$*
Trade receivables on goods and services	**12,116,601**	18,104,896
Less: allowance for credit losses	**(114,056)**	–
	12,002,545	18,104,896
Other receivables, prepayments and deposits		
— Purchase and trial products deposits to suppliers	**15,869,840**	3,183,188
— Other prepayments and deposits	**597,411**	628,012
— Other receivables	**238,554**	61,167
Total	**28,708,350**	21,977,263

As at 31 December 2018 and 1 January 2018, all trade receivables are from contracts with customers.

The Group allows an average credit period of 30 days to its trade customers throughout the year before accepting any new customer, the Group assesses the potential customer's credit quality. Credit limits attributed to customers and credit term granted to customers are reviewed regularly. Due dates of the trade receivables are determined based on the agreed payment dates as stipulated in the invoice.

The following is an aging analysis of trade receivables presented based on the invoice date at the end of the reporting period.

	2018	2017
	HK$	*HK$*
0 — 30 days	**1,881,658**	16,865,804
31 — 60 days	**5,291,931**	433,931
61 — 90 days	**1,164,482**	5,088
91 — 180 days *(note)*	**2,682,688**	800,073
Over 180 days	**1,095,842**	–
	12,116,601	18,104,896

Note: For an amount of approximately HK$780,000 included in this category as at 31 December 2017, the Group has re-negotiated the credit terms with the customer and the amount will be settled in 5 instalments with the last instalment to be settled by 31 December 2018. As of the date of this report, the customer has settled the outstanding balance in accordance with the repayment schedule.

As at 31 December 2018, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of HK$10,234,941 which are past due as at the reporting date. Out of the past due balances approximately HK$2,362,120 (2017: HK$20,462) has been past due over 90 days or more and is not considered as in default as there has not been a significant change in credit quality and amounts are still considered as recoverable based on historical experience. The Group does not hold any collaterals over these balances.

As at 31 December 2017, 97% of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the internal credit scoring system used by the Group.

As at 31 December 2017, included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$615,403 which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

	2017
	HK$
Overdue by:	
Within 30 days	589,853
31 — 60 days	5,088
61 — 90 days	–
Over 90 days	20,462
	615,403

11. TRADE AND OTHER PAYABLES

	2018	2017
	HK$	*HK$*
Trade payables	**18,336,158**	13,416,801
Payroll payables and other accrued staff costs	**2,103,854**	2,608,589
Payables for listing expenses	**–**	807,806
Other payables and accrued expenses	**3,674,769**	1,714,968
Total	**24,114,781**	18,548,164

The credit period on trade payables is ranging from 30 to 150 days. The aging analysis of the Group's trade payables below is presented based on the invoice date (or date of cost incurred, if earlier) at the end of the reporting period:

	2018	2017
	HK$	*HK$*
0 — 30 days	**2,080,546**	9,893,195
31 — 90 days	**15,987,956**	1,141,113
Over 90 days	**267,656**	2,382,493
	18,336,158	13,416,801

12. SHARE CAPITAL

The movements in the Company's authorised and issued ordinary share capital are as follows:

	Par value	Number of shares	Share capital
	HK$		*HK$*
Ordinary shares			
Authorised:			
— On date of incorporation on 22 February 2017	0.01	1,000,000	10,000
— Increase on 25 October 2017 *(note ii)*	0.01	9,999,000,000	99,990,000
As at 31 December 2018 and 2017	0.01	10,000,000,000	100,000,000
Issued:			
— 1 share allotted and issued at par on the date of incorporation	0.01	1	–
— Issue of shares *(note i)*	0.01	2,499	25
— Capitalisation issue *(note iii)*	0.01	749,997,500	7,499,975
— Issuance of ordinary shares upon listing *(note iv)*	0.01	250,000,000	2,500,000
As at 31 December 2018 and 2017	0.01	1,000,000,000	10,000,000

Notes:

i. On 14 March 2017, pursuant to a share swap agreement dated 14 March 2017, the Company acquired the entire 75,000 shares in APE BVI from Mr. Ng, Mr. Huie, Avanzare Limited (which is wholly owned by Mr. Chan) and Ms. Kong Kam Pui ("**Ms. Kong**") respectively, in consideration of 2,416 shares and 83 shares credited as fully paid at par, being allotted and issued to APE HAT and Ms. Kong, respectively.

ii. Pursuant to the written resolutions of the shareholders of the Company passed on 25 October 2017, the authorised share capital of the Company was increased from HK$10,000 divided into 1,000,000 shares of a par value of HK$0.01 each to HK$100,000,000 divided into 10,000,000,000 shares of a par value of HK$0.01 each by the creation of an additional 9,999,000,000 shares.

iii. On 15 November 2017, the Company capitalised a sum of HK$7,499,975 standing to the credit of the share premium account of the Company and appropriated such amount as to capital to pay up in full at par 749,997,500 shares for allotment and issue to the persons whose names appeared on the register of members of the Company immediately before the listing of the shares of the Company on GEM of the Stock Exchange.

iv. On 15 November 2017, the Company issued a total of 250,000,000 ordinary shares of a par value of HK$0.01 each pursuant to the global offering at the price of HK$0.28 per share and the Company's shares were listed on GEM of the Stock Exchange on 15 November 2017.

The newly issued shares rank pari passu in all respects with the existing shares.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is a total solutions provider of electronic gaming equipment ("**EGEs**") for land based casinos in the Macau Special Administrative Region ("**Macau SAR**") as well as other regions in Asia. EGE principally includes electronic table games ("**ETGs**") and electronic gaming machines ("**EGMs**" or "**Slot Machines**"). The Group's business can be segmented into: (i) technical sales and distribution of EGEs to land based casinos; (ii) the repair of EGEs and sale of spare parts; (iii) consultancy to suppliers or manufacturers of EGE products to the casino gaming supplier market; (iv) sales of refurbished EGMs; and (v) the lease sales of EGEs.

The business of the Group is conducted through its wholly-owned subsidiary, namely Asia Pioneer Entertainment Limited ("**APE Macau**"). APE Macau is the operating company of the Group, which operates the core businesses of the Group out of Macau SAR. For the year ended 31 December 2018 (the "**Year**" or "**FY2018**"), APE Macau represented all of the revenue of the Group.

The Group's total revenue during the Year was HK$109.6 million, making an increase of 27% over that of HK$86 million for FY2017. For the Year, the Group achieved a net profit after tax of HK$20.7 million, an increase of 361% over that for FY2017 (2017 : HK$4.5 million).

On a segmented basis, the Group made revenues from the technical sales and distribution of EGEs of HK$65.6 million in the Year, a decrease of 10% over that for FY2017 (HK$72.8 million). This segment also includes revenue from the sale of spare parts which was HK$3.7 million, an increase of 251% year on year ("**YOY**") (2017: HK1.1 million). From consultancy and technical services, the Group made revenues of HK$8.5 million in the Year, an increase of 26% over that for FY2017. From sales of refurbished EGMs, the Group made revenues of HK$2.5 million, a decrease of 42% from FY2017. During the Year, the Group also recorded revenue from two lease sales which the Group made in the Kingdom of Cambodia ("**Cambodia**") and the Republic of Philippines (the "**Philippines**") totalling HK$30.4 million.

From a gross profit standpoint, the overall gross profit and gross margin for the Group for the Year were HK$47.9 million and 44%, respectively, whereas the overall gross margin in FY2017 was 40%. On a segmented basis, technical sales and distribution of EGEs earned gross profit of HK$18.9 million, representing a gross margin of approximately 29% and the corresponding gross margin of that division was 37% in FY2017. The repair of EGEs had gross profit of HK$1.5 million in the Year, representing a gross margins of 62.3%, whereas the corresponding gross margins for that division was 27% in FY2017. Consulting and technical services division generated HK$6.9 million in gross profit in the Year, representing a gross margin of 81.3%, whereas the corresponding gross margin for that division was 78.8% in FY2017. For the sale of refurbished EGMs, the gross profit generated in the Year was HK$2.2 million, representing a gross margin of 88%, whereas gross margin was 47% for that division in FY2017. For lease sales of EGMs, the gross profit for the Year was HK$18.3 million representing a gross margin of 60.1%, whereas no lease sales were made in FY2017.

Industry Review

According to government statistics, the overall Macau SAR gaming market as measured by Gross Gaming Revenue ("**GGR**") grew by 14% to MOP302.85 billion (USD37.57 billion)[1] from MOP264.7 billion (USD33.0 billion) in FY2017[1] on a YOY basis. Revenue from Slot Machines increased by 14.3% to MOP15 billion in FY2018 from MOP13.1 billion in FY2017[2]. The number of Slot Machines increased by 3% from 15,622 seats in FY2017 to 16,059 in FY2018. This slower increase was due to a number of older generation slots being decommissioned from the gaming floor due to the enforcement of new Macau gaming standards for slots. The overall gaming equipment market in Macau SAR grew slightly in FY2018 due primarily to the opening of two major casinos, namely the MGM Cotai and Morpheus in City of Dreams.

In Asia, according to an Industry report[3], total GGR for Asia's mass gaming and slots market grew at around 15% YOY for FY2018, with the Philippines up 25% YOY and Cambodia up 32% YOY, both being the fastest growth of the Asia market.

1 Source http://www.ggrasia.com/macau-casino-ggr-posts-19pct-growth-in-full-2017-govt/
2 DICJ statistics http://www.dicj.gov.mo/web/en/information/DadosEstat/2018/content.html#n1
3 Goldman Sachs report: Leisure Gaming &amp_Travel Monitor

Prospects

Looking ahead, management believes that the Group's growth prospects for 2019 will lean slightly more towards the Asia market which are growing quicker than Macau SAR. In particular, SunCity's new casino opening in Hoi An in the Republic of Vietnam ("**Vietnam**") and growth in new casino resorts in the Philippines and Cambodia have potential to bring new business to the Group.

In Macau SAR, which continues to be the core market for the Group, there will be the opening of two new planned casinos, namely Grand Lisboa Palace and Lisboeta both in Cotai, which can bring new revenue opportunities to the Group. As the mass market continues to grow with casinos continuing to adopt EGMs and ETGs to serve this sector, we believe that this can be a favourable environment for the Group's sale and distribution business in Macau SAR.

For the year ahead, the Group will continue to implement its business plan as stated in our Prospectus and as we did for this Year. In FY2018, we introduced a new horse racing machine to Macau SAR and secured two sales to a casino client in Macau SAR. We expect this product to be well-received by the market, which should support our technical sale and distribution revenues in the coming year. We are also receiving more enquires for the leasing of EGMs in markets such as the Philippines, Cambodia, and Vietnam. As these are relatively new markets for the Group, we shall review leasing opportunities on a selective basis. Finally, as our business is very much affected by the attractiveness and market acceptance of our new EGM and ETG products, we need to continue to seek or develop new games and products for the growing mass market in Macau SAR and the Asian region.

Financial Results

Key Financial Data	For the year ended 31 December 2018 *HK$*	For the year ended 31 December 2017 *HK$*	For the year ended 31 December 2016 *HK$*	For the year ended 31 December 2015 *HK$*
Results of operation				
Revenue	109,618,844	86,063,958	52,576,234	48,178,780
Gross profit	47,934,133	34,830,381	23,228,347	19,539,994
Profit before tax	24,109,721	7,122,981	11,458,702	14,453,280
Profit and total comprehensive income for the year	20,701,271	4,492,286	9,562,281	12,758,698
Financial position				
Total assets	120,673,011	92,578,013	27,985,396	31,174,498
Total liabilities	29,504,623	22,110,896	14,055,748	14,311,985
Total equity	91,168,388	70,467,117	13,929,648	16,862,513

Revenue

For FY2018, the Group's revenue increased by 27% to approximately HK$109.6 million from approximately HK$86 million in FY2017. Gross profit increased by 38% to approximately HK$48 million in FY2018 from approximately HK$35 million in FY2017.

Group's Overall

The improvement in revenue and gross profit performance were principally attributed to the increases in consulting service, and the recognition of two lease sales in Cambodia and the Philippines, respectively.

Operating Expenses

The Group's operating expenses increased by 69% to approximately HK$23.6 million in FY2018 from approximately HK$14 million in FY2017. This increase was principally attributable to the increases in (i) headcount in our Macau SAR office, (ii) the expenses associated with expanding into the new markets in Asia, as well as expenses associated with public company compliance.

Net Profit

Net profit after tax increased by 361% to approximately HK$20.7 million in FY2018 from approximately HK$4.5 million in FY2017 mainly due to an increase in gross profit in the Year and the non-incurrence in the Year of any listing expenses which were incurred and impacted the Group's net profit by HK$14.2 million in FY2017.

Use of Proceeds from the Listing

The net proceeds from the listing of the shares of the Company (the "**Shares**") in issue on GEM of the Stock Exchange since 15 November 2017 (the "**Listing Date**" and the "**Listing**", respectively) received by the Company (the "**Net Proceeds**") after deducting underwriting fees and the estimated expenses were approximately HK$40 million. The intended use of the Net Proceeds are disclosed in the section "Statement of Business Objectives and Use of Proceeds" in the Prospectus. Unutilised Net Proceeds as at 31 December 2018 amount to approximately HK$7.10 million and were deposited with licensed banks in Hong Kong and Macau. The Company intends to use the remaining Net Proceeds in the coming years in accordance with the purposes set out in the Prospectus.

As at 31 December 2018, the Group utilised the Net Proceeds as follows:

	Percentage to total amount	**Net proceeds** *HK$ million*	**Utilised amount** *HK$ million*	**Unutilised amount** *HK$ million*
Upfront deposits for manufacturers to provide more trial products	41.5%	16.60	13.48	3.12
Procuring EGM for lease to casino operators in Macau and Asia	17.8%	7.10	7.10	–
Procuring and refurbishment of used EGM for resales	13.2%	5.30	5.30	–
Enhancing market recognition in Macau and South East Asia and strengthening in-house capability to provide repair services	17.3%	6.90	3.38	3.52
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	2.24	0.46
General working capital	2.7%	1.10	1.10	–
	100%	40.00	32.90	7.10

Comparison of Business Objectives with Actual Business Progress

Business Objectives up to 31 December 2018	Actual Business Progress
— refurbishment business	— Completed second refurbishment business of 83 machines
	— Increased repair team to work on refurbishment sales.
— Commencement of leasing business	— Initiated leasing business in the Philippines and Cambodia.
— Expansion into Southeast Asia	— Started Southeast Asia sales by a senior sales person

Liquidity, Financial Resources, Gearing Ratio and Capital Structure

During FY2018, the Group financed its operations by its internal resources. As at 31 December 2018, the Group had net current assets of approximately HK$59.6 million versus those of approximately HK$68.1 million as at 31 December 2017.

As at 31 December 2018, the Group had no bank borrowings though the Company had one revolving credit facilty with the Bank of East Asia, Limited with a limit of HK$10 million which was not drawn down. The gearing ratio (which is calculated by dividing total debt by total equity) was not applicable to the Group as at 31 December 2018. The Shares in issue were listed on the Listing Date by way of a placing and a public offer totalling 250,000,000 new Shares at a price of HK$0.28 each. There has been no change in the capital structure of the Company since the Listing Date.

The capital structure refers to the maturity profile of debt and obligation, type of capital instruments 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 capital assets as at 31 December 2018.

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 FY2018.

Major Events After the End of the Year

There was no major event subsequent to 31 December 2018 and up to the date of this announcement.

Contingent Liabilities

As at 31 December 2017 and 2018, the Group did not have any material contingent liabilities.

Employees and Remuneration Policy

As at 31 December 2018, the Group had a total of 39 employees (31 December 2017: 36). For FY2018, the Group incurred staff costs, including Directors' remuneration of approximately HK$15.1 million (2017: approximately HK$9.7 million).

The Company has adopted a share option scheme on 25 October 2017 for the purpose of recognising and acknowledging the contribution of employees. The Company did not operate the share option scheme in FY2018.

Capital Commitments

During the fourth quarter of 2017, the Group signed a lease agreement for new premises in Macau SAR with 18,000 sq.ft. for integrated office with workshop and warehouse. As at 31 December 2018, capital commitment was approximately HK$1.8 million in respect of the acquisition of property and equipment.

Charges on Group Assets

As at 31 December 2018, the Group had no charges on the Group's assets (31 December 2017: 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 December 2018, all cash on hand were deposited with licensed financial institutions in Hong Kong and Macau.

Customer and Supplier Relationship

The Group's major customers are mostly Macau SAR casino operators listed on the Stock Exchange as well as customers with an established record with the Group. 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 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 invoices its customers mainly in US$, HK$ 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 FY2018, the Group's net foreign exchange loss was HK$281,025, an increase from HK$55,234 for FY2017. This was attributable to the fluctuation of exchange rate of USD against Euro, which affected negatively our payables in Euro liabilities.

Dividends

The Board has resolved not to recommend any dividend for the Year.

Purchase, sale or redemption of the Company's Listed Securities

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

Compliance with Corporate Governance Code

During the Year, the Company has applied the principles and complied with all code provisions of the Corporate Governance Code as set out in Appendix 15 to the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**" and the "**CG Code**", respectively).

Securities transactions by Directors

The Company has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings during the Year.

Annual General Meeting

The 2019 annual general meeting of the Company (the "**AGM**") will be held on Friday, 10 May 2019. A circular containing the details of the 2019 AGM and the notice of the 2019 AGM and the accompanying form of proxy will soon be dispatched to the Shareholders in the manner as required by the GEM Listing Rules.

Closure of Register of Members

The 2019 AGM is scheduled to be held on Friday, 10 May 2019. For determining the Shareholders' entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Tuesday, 7 May 2019 to Friday, 10 May 2019, both days inclusive, during which period no transfer of the Shares will be registered. Non-registered Shareholders must lodge properly completed and stamped transfer documents accompanied by the relevant share certificates with the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration by no later than 4:30 p.m. on Monday, 6 May 2019.

Review by Audit Committee

The audit committee of the Board (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 INEDs, namely Mr. Choi Kwok Wai ("**Mr. Choi**"), Mr. Ma Chi Seng and Mr. Ho Kevin King Lun. Mr. Choi is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited Consolidated Financial Statements and is of the view that such statements 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.

Publication of results announcement

This results announcement is published on the respective websites of the Company (www.apemacau.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for FY2018 containing all the information required by the GEM Listing Rules will be dispatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner required by the GEM Listing Rules.

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

Hong Kong, 19 March 2019

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

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