

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



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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board of directors (the “**Directors**”) of Asia Pioneer Entertainment Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2025 (the “**Period**”). This announcement, containing the full text of the 2025 interim report of the Company (the “**2025 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to the information to accompany the preliminary announcement of interim results. The printed version of the 2025 Interim Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.apemacau.com in due course in the manner as required by the GEM Listing Rules.

For and on behalf of

Asia Pioneer Entertainment Holdings Limited

HUIE, Allen Tat Yan

Chairman and Executive Director

Hong Kong, 26 August 2025

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), Mr. CHAN Chi Lun (Chief Financial Officer) and Ms. Maria Fatima FRANCISCO FREIRE GARCIA; and the independent non-executive Directors are Mr. CHOI Kwok Wai, Mr. MA Chi Seng and Mr. HO Kevin King Lun.

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

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.apemacau.com.

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

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE" AND "GEM", RESPECTIVELY)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

*This report, for which the directors of Asia Pioneer Entertainment Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**" and the "**Directors**", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

CONTENTS

2025 INTERIM RESULTS HIGHLIGHTS (UNAUDITED)	2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	8
MANAGEMENT DISCUSSION AND ANALYSIS	30
DISCLOSURE OF INTERESTS	38
CORPORATE GOVERNANCE AND OTHER INFORMATION	40



2025 INTERIM RESULTS HIGHLIGHTS (UNAUDITED)

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 (the “**Period**”), together with the unaudited corresponding figures for the six months ended 30 June 2024 (the “**Corresponding Period**”). The Group’s revenue increased by 15.7% from approximately HK\$19.9 million for the Corresponding Period to approximately HK\$23.0 million for the Period.

During the Period, the Group’s gross profit increased from approximately HK\$9.4 million for the Corresponding Period to gross profit of approximately HK\$10.9 million for the Period. The Group’s gross profit margin also increased to gross profit margin of 47.5% for the Period compared to gross profit margin of 47.3% for the Corresponding Period.

The Group’s operating expenses increased by 6.8% over the Period to approximately HK\$11.0 million (Corresponding Period: approximately HK\$10.3 million). This was primarily due to the increases in staff costs and travelling expenses.

The Group’s profit and total comprehensive income for the Period increased to HK\$24,959 (Corresponding Period: loss and total comprehensive expense of approximately HK\$0.6 million), mainly due to the increase in revenue.

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$ (unaudited)	2024 HK\$ (unaudited)
Revenue	3	23,041,649	19,918,050
Cost of sales and services		(12,099,177)	(10,487,018)
Gross profit		10,942,472	9,431,032
Other income and other gains	4	194,488	300,344
Write-down of inventories to net realisable value, net		(114,768)	(7,731)
Reversal of expected credit losses ("ECL"), net	5	2,933	6,949
Operating expenses		(11,031,415)	(10,328,850)
Finance costs		(81,393)	(129,734)
Loss before income tax		(87,683)	(727,990)
Income tax credit	6	112,642	89,061
Profit/(Loss) and total comprehensive income/(expense) for the period	7	24,959	(638,929)
		HK cents	HK cents
Earnings/(Loss) per share			
Basic and diluted	9	0.00	(0.06)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property and equipment	10	1,060,477	1,356,962
Right-of-use assets	11	2,185,625	3,124,314
Financial asset at fair value through other comprehensive income ("FVOCI")		783,495	783,495
Rental deposits	13	223,813	388,259
		4,253,410	5,653,030
Current assets			
Inventories	12	6,928,886	3,197,081
Trade and other receivables	13	18,795,747	10,468,057
Amount due from a related company		–	195,000
Fixed bank deposits		2,423,622	4,320,483
Bank balances and cash		5,957,239	8,139,417
		34,105,494	26,320,038
Current liabilities			
Trade and other payables	14	11,887,723	6,458,815
Contract liabilities	15	2,469,266	475,869
Lease liabilities		1,596,707	1,839,504
Income tax payable		1,327,254	1,327,254
		17,280,950	10,101,442
Net current assets		16,824,544	16,218,596
Total assets less current liabilities		21,077,954	21,871,626

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
	Notes		
Non-current liabilities			
Lease liabilities		696,385	1,402,374
Deferred tax liabilities		262,276	374,918
		958,661	1,777,292
Net assets		20,119,293	20,094,334
EQUITY			
Share capital	17	10,000,000	10,000,000
Reserves		10,119,293	10,094,334
Total equity		20,119,293	20,094,334

The condensed consolidated interim financial statements on pages 3 to 29 were approved and authorised for issue by the board of directors of the Company on 26 August 2025 and are signed on its behalf by:

Mr. Huie, Allen Tat Yan
Director

Mr. Ng Man Ho Herman
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HK\$	Share premium* HK\$	Merger reserve* HK\$	Legal reserve* HK\$	Accumulated losses* HK\$	Total HK\$
As at 1 January 2025 (audited)	10,000,000	55,098,836	(3,416,148)	504,489	(42,092,843)	20,094,334
Profit and total comprehensive income for the period	–	–	–	–	24,959	24,959
Balance as at 30 June 2025 (unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(42,067,884)	20,119,293
As at 1 January 2024 (audited)	10,000,000	55,098,836	(3,416,148)	504,489	(45,851,712)	16,335,465
Loss and total comprehensive expense for the period	–	–	–	–	(638,929)	(638,929)
Balance as at 30 June 2024 (unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(46,490,641)	15,696,536

* These reserve accounts comprise the Group's reserves of HK\$10,119,293 as at 30 June 2025 (31 December 2024: HK\$10,094,334) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)
Net cash (used in)/from operating activities	(3,272,147)	2,800,976
Investing activities		
Interest received	84,927	19,142
Placement of fixed bank deposits	(2,423,622)	(74)
Maturity of fixed bank deposits	4,320,483	–
Purchase of property and equipment	(39,675)	(88,679)
Net cash from/(used in) investing activities	1,942,113	(69,611)
Financing activity		
Repayments of lease liabilities	(1,047,144)	(1,133,745)
Net cash used in financing activity	(1,047,144)	(1,133,745)
Net (decrease)/increase in cash and cash equivalents	(2,377,178)	1,597,620
Cash and cash equivalents at the beginning of the period	8,139,417	12,243,846
Cash and cash equivalents at the end of the period, represented by bank balances and cash	5,762,239	13,841,466

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Asia Pioneer Entertainment Holdings Limited (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**”) 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 GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 15 November 2017.

As at 30 June 2025, Mr. Huie, Allen Tat Yan, Mr. Ng Man Ho Herman and Mr. Chan Chi Lun collectively are the substantial shareholders of the Company.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in:

- (a) the electronic gaming equipment business (the “**EGE Business**”) in the Macau as well as other regions in Asia, which can be divided into three divisions:
 - (i) 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**”);
 - (ii) provision of consultancy services to manufacturers of electronic gaming equipment including (a) regulatory consultancy; (b) product design and content consultancy; (c) localisation consultancy; (d) on-site consultancy; and technical services to both manufacturers and casino operators (“**Consultancy and Technical Services**”); and
 - (iii) the provision of repair services to casino operators (“**Repair Services**”).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

- (b) the smart vending machines ("**Smart VM**") business (the "**Smart VM Business**") in the Macau, which can be divided into three divisions:
 - (i) sales of own goods and consignment sale of various Macau-sourced products to consumers and travellers through Smart VM ("**Product Sales through Smart VM**");
 - (ii) leasing of Smart VM ("**Leasing of Smart VM**"); and
 - (iii) franchising coffee VM under the KATFFEE brand to franchisees ("**Franchise**").

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange. The condensed consolidated interim financial statements do not include all of the information required in annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024.

The condensed consolidated interim financial statements are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial asset at fair value through other comprehensive income which is stated at fair values. Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Amended IFRS Accounting Standards that are effective for annual period beginning on 1 January 2025

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the Amendments to IAS 21 "Lack of Exchangeability" which are effective as of 1 January 2025.

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the condensed consolidated interim financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

3.1 Revenue

The Group's principal activities are disclosed in note 1 of the condensed consolidated interim financial statements. Revenue of the Group is the revenue from these activities.

Disaggregation of revenue from contracts with customers and other sources

The Group derives revenue from the transfer of goods and services over time and at a point in time and other sources. Details of the Group's primary geographical markets and timing of revenue recognition during the six months ended 30 June 2025 and 2024 were as follows:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.1 Revenue (Continued)

Disaggregation of revenue from contracts with customers and other sources
(Continued)

For the six months ended 30 June 2025

	EGE Business			Smart VM Business			
	Technical Sales and Distribution of Electronic Gaming Equipment HK\$ (unaudited)	Consultancy and Technical Services HK\$ (unaudited)	Repair Services HK\$ (unaudited)	Product Sales through Smart VM HK\$ (unaudited)	Leasing of Smart VM HK\$ (unaudited)	Franchise HK\$ (unaudited)	Total HK\$ (unaudited)
Revenue from contracts with customers within the scope of IFRS 15							
Technical Sales and Distribution of Electronic Gaming Equipment							
— Electronic table games	17,458,396	—	—	—	—	—	17,458,396
— Spare parts	1,816,593	—	—	—	—	—	1,816,593
	19,274,989	—	—	—	—	—	19,274,989
Consultancy and Technical Services							
— Technical supports	—	1,831,997	—	—	—	—	1,831,997
— Upgrade EGE supports services	—	684,775	—	—	—	—	684,775
	—	2,516,772	—	—	—	—	2,516,772
Repair Services							
	—	—	204,247	—	—	—	204,247
Product Sales through Smart VM							
— Sale of own goods	—	—	—	704,877	—	—	704,877
— Consignment sale	—	—	—	7,098	—	—	7,098
	—	—	—	711,975	—	—	711,975
Franchise							
— Sale of own goods	—	—	—	—	—	4,015	4,015
— Franchise license	—	—	—	—	—	11,650	11,650
	—	—	—	—	—	15,665	15,665
Total	19,274,989	2,516,772	204,247	711,975	—	15,665	22,723,648
Revenue from other sources not within the scope of IFRS 15							
Leasing of Smart VM	—	—	—	—	318,001	—	318,001
Total	19,274,989	2,516,772	204,247	711,975	318,001	15,665	23,041,649

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.1 Revenue (Continued)

Disaggregation of revenue from contracts with customers and other sources
(Continued)

For the six months ended 30 June 2025 (Continued)

	EGE Business			Smart VM Business			
Technical Sales and Distribution of Electronic Gaming Equipment HK\$ (unaudited)	Consultancy and Technical Services HK\$ (unaudited)	Repair Services HK\$ (unaudited)	Product Sales through Smart VM HK\$ (unaudited)	Leasing of Smart VM HK\$ (unaudited)	Franchise HK\$ (unaudited)	Total HK\$ (unaudited)	
Revenue from contracts with customers within the scope of IFRS 15							
Geographical markets							
Macau	16,100,751	2,516,772	204,247	711,975	–	15,665	19,549,410
Sri Lanka	2,916,181	–	–	–	–	–	2,916,181
Malaysia	157,972	–	–	–	–	–	157,972
Taiwan	72,874	–	–	–	–	–	72,874
Others	27,211	–	–	–	–	–	27,211
Total	19,274,989	2,516,772	204,247	711,975	–	15,665	22,723,648
Timing of revenue recognition							
At a point in time	19,274,989	1,166,018	204,247	711,975	–	15,665	21,372,894
Over time	–	1,350,754	–	–	–	–	1,350,754
Total	19,274,989	2,516,772	204,247	711,975	–	15,665	22,723,648
Revenue from other sources not within the scope of IFRS 15							
Geographical markets							
Macau	–	–	–	–	318,001	–	318,001
Leasing of Smart VM	–	–	–	–	318,001	–	318,001

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.1 Revenue (Continued)

Disaggregation of revenue from contracts with customers and other sources
(Continued)

For the six months ended 30 June 2024

	EGE Business			Smart VM Business			Total
	Technical Sales and Distribution of Electronic Gaming Equipment	Consultancy and Technical Services	Repair Services	Product Sales through Smart VM	Leasing of Smart VM	Franchise	
	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)
Revenue from contracts with customers within the scope of IFRS 15							
Technical Sales and Distribution of Electronic Gaming Equipment							
— Electronic table games	12,331,962	—	—	—	—	—	12,331,962
— Spare parts	1,478,646	—	—	—	—	—	1,478,646
	13,810,608	—	—	—	—	—	13,810,608
Consultancy and Technical Services							
— Technical supports	—	1,438,368	—	—	—	—	1,438,368
— Consultancy services	—	154,765	—	—	—	—	154,765
— Upgrade EGE supports services	—	2,996,085	—	—	—	—	2,996,085
	—	4,589,218	—	—	—	—	4,589,218
Repair Services							
	—	—	451,924	—	—	—	451,924
Product Sales through Smart VM							
— Sale of own goods	—	—	—	974,322	—	—	974,322
— Consignment sale	—	—	—	4,333	—	—	4,333
	—	—	—	978,655	—	—	978,655
Franchise							
— Sale of own goods	—	—	—	—	—	9,170	9,170
— Franchise license	—	—	—	—	—	11,650	11,650
	—	—	—	—	—	20,820	20,820
Total	13,810,608	4,589,218	451,924	978,655	—	20,820	19,851,225
Revenue from other sources not within the scope of IFRS 15							
Leasing of Smart VM							
	—	—	—	—	66,825	—	66,825
Total	13,810,608	4,589,218	451,924	978,655	66,825	20,820	19,918,050

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.1 Revenue (Continued)

Disaggregation of revenue from contracts with customers and other sources
(Continued)

For the six months ended 30 June 2024 (Continued)

	EGE Business			Smart VM business			
Technical Sales and Distribution of Electronic Gaming Equipment	Consultancy and Technical Services	Repair Services	Product Sales through Smart VM	Leasing of Smart VM	Franchise	Total	
HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	
Revenue from contracts with customers within the scope of IFRS 15							
Geographical markets							
Macau	13,365,409	4,589,218	451,924	978,655	–	19,406,026	
Malaysia	234,149	–	–	–	–	234,149	
Taiwan	190,013	–	–	–	–	190,013	
Others	21,037	–	–	–	–	21,037	
Total	13,810,608	4,589,218	451,924	978,655	–	19,851,225	
Timing of revenue recognition							
At a point in time	13,810,608	3,094,185	451,924	978,655	–	18,356,192	
Over time	–	1,495,033	–	–	–	1,495,033	
Total	13,810,608	4,589,218	451,924	978,655	–	19,851,225	
Revenue from other sources not within the scope of IFRS 15							
Geographical markets							
Macau	–	–	–	–	66,825	66,825	
Leasing of Smart VM	–	–	–	–	66,825	66,825	

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

3.2 Segment information

Information regarding the Group's reportable segments is set out below:

For the six months ended 30 June 2025

	EGE Business HK\$ (unaudited)	Smart VM Business HK\$ (unaudited)	Total HK\$ (unaudited)
Reportable segment revenue			
— From external customers	21,996,008	1,045,641	23,041,649
Reportable segment results <i>(Note)</i>	2,169,222	(351,437)	1,817,785
Unallocated corporate income			2
Unallocated corporate expenses			(1,905,470)
Loss before income tax			(87,683)
Income tax credit			112,642
Profit for the period			24,959

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.2 Segment information (Continued)

Note:

	EGE Business HK\$ (unaudited)	Smart VM Business HK\$ (unaudited)	Unallocated HK\$ (unaudited)	Total HK\$ (unaudited)
Amounts included in the measure of segment results				
— Bank interest income	84,923	2	2	84,927
— Net foreign exchange gains/(losses)	25,150	(412)	—	24,738
— Depreciation of property and equipment	(15,647)	(320,513)	—	(336,160)
— Depreciation of right-of-use assets	(744,218)	(211,436)	—	(955,654)
— Reversal of ECL, net	2,933	—	—	2,933
— Finance costs	(71,258)	(10,135)	—	(81,393)
— Write-down of inventories to net realisable value, net	(108,840)	(5,928)	—	(114,768)
Other segment item				
Additions to non-current assets	15,903	40,737	—	56,640
As at 30 June 2025				
Segment assets	35,013,930	2,310,215	1,034,759	38,358,904
Segment liabilities	17,443,519	554,068	242,024	18,239,611

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

3.2 Segment information *(Continued)*

Information regarding the Group's reportable segments is set out below:

For the six months ended 30 June 2024

	EGE Business HK\$ (unaudited)	Smart VM Business HK\$ (unaudited)	Total HK\$ (unaudited)
Reportable segment revenue			
— From external customers	18,851,750	1,066,300	19,918,050
Reportable segment results <i>(Note)</i>	1,909,419	(637,598)	1,271,821
Unallocated corporate income			18,700
Unallocated corporate expenses			(2,018,511)
Loss before income tax			(727,990)
Income tax credit			89,061
Loss for the period			(638,929)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.2 Segment information (Continued)

Note:

	EGE Business HK\$ (unaudited)	Smart VM Business HK\$ (unaudited)	Unallocated HK\$ (unaudited)	Total HK\$ (unaudited)
Amounts included in the measure of segment results				
— Bank interest income	438	4	18,700	19,142
— Net foreign exchange gains/(losses)	173,679	(4)	—	173,675
— Depreciation of property and equipment	(12,751)	(300,573)	—	(313,324)
— Depreciation of right-of-use assets	(743,708)	(293,583)	—	(1,037,291)
— Reversal of ECL, net	6,949	—	—	6,949
— Loss on disposal of property, plant and equipment	(43,769)	(16,095)	—	(59,864)
— Finance costs	(114,972)	(14,762)	—	(129,734)
— Write-down of inventories to net realisable value, net	—	(7,731)	—	(7,731)
Other segment item				
Additions to non-current assets	212,951	170,836	—	383,787
As at 31 December 2024 (Audited)				
Segment assets	28,159,478	2,702,828	1,110,762	31,973,068
Segment liabilities	10,597,710	944,332	336,692	11,878,734

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. OTHER INCOME AND OTHER GAINS

	Six months ended 30 June	
	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)
Other income		
Bank interest income	84,927	19,142
Freight income from delivery	37,087	75,770
Others	47,736	31,757
	169,750	126,669
Other gains		
Net foreign exchange gains	24,738	173,675
	194,488	300,344

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. REVERSAL OF EXPECTED CREDIT LOSSES (“ECL”), NET

	Six months ended 30 June	
	2025	2024
	HK\$	HK\$
	(unaudited)	(unaudited)
Reversal of ECL, net		
— Trade receivable	2,933	6,949

6. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	HK\$	HK\$
	(unaudited)	(unaudited)
Current tax		
Macau Complementary Tax	—	—
Deferred tax	112,642	89,061
	112,642	89,061

Macau

The Group is subject to Macau Complementary Tax at a rate of 12% on the assessable profits for both periods. No provision for Macau Complementary Tax has been made as the Group did not generate assessable profit arising in Macau for both periods.

Cayman Islands and the BVI

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands pursuant to the rules and regulations in those jurisdictions.

The PRC

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for Enterprise Income Tax has been made as the Group did not generate assessable profit arising in the PRC for both periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period has been arrived at after charging:

	Six months ended 30 June	
	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)
Directors' emoluments	2,378,184	2,005,857
Other staff costs		
— Salaries and allowances	5,083,526	5,131,869
— Retirement benefits scheme contributions (note)	20,466	20,971
	7,482,176	7,158,697
Lease charges:		
— Short term leases	131,324	132,885
Depreciation:		
— Property and equipment	336,160	313,324
— Right-of-use assets	955,654	1,037,291
Total depreciation	1,291,814	1,350,615
Auditor's remuneration	407,767	407,767
Cost of inventories recognised as expenses	10,966,420	8,349,864
Cost of service provided	104,924	774,722
Loss on disposal of plant and equipment, net	—	59,864

Note: At the end of the reporting period, the Group had no forfeited contributions available to reduce its existing contributions to the retirement benefit scheme in future years.

8. DIVIDEND

No dividend was paid or proposed by the Company for the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$	HK\$
	(unaudited)	(unaudited)
Earnings/(loss) for the purpose of basic earnings/(loss) per share		
Profit/(Loss) for the period attributable to the owners of the Company	24,959	(638,929)
Number of shares		
Weighted average number of ordinary shares	1,000,000,000	1,000,000,000
	HK cents	HK cents
Basic earnings/(loss) per share	0.00	(0.06)

Diluted earnings/(loss) per share for both periods were the same as basic earnings/(loss) per share as there were no potential ordinary shares in existence during both periods.

10. PROPERTY AND EQUIPMENT

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
Carrying values		
Furniture, fixtures and equipment	10,858	–
Computers	310,723	335,518
Motor vehicles	50,400	67,200
Vending machines	688,496	954,244
	1,060,477	1,356,962

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. PROPERTY AND EQUIPMENT (Continued)

During the current interim period, property and equipment of HK\$39,675 is acquired (2024: HK\$327,747).

11. RIGHT-OF-USE ASSETS

	Carrying amount		Depreciation
	As at 30 June 2025 HK\$ (unaudited)	As at 1 January 2025 HK\$ (audited)	For the six months ended 30 June 2025 HK\$ (unaudited)
Premises for vending machines	264,081	458,551	211,436
Office premises	1,766,479	2,355,306	588,826
Warehouses	103,922	228,628	124,706
Car parks	51,143	81,829	30,686
	2,185,625	3,124,314	955,654

	Carrying amount		Depreciation
	As at 30 June 2024 HK\$ (unaudited)	As at 1 January 2024 HK\$ (audited)	For the six months ended 30 June 2024 HK\$ (unaudited)
Premises for vending machines	566,370	689,118	293,583
Office premises	2,944,132	3,532,958	588,826
Warehouses	353,335	478,041	124,706
Car parks	112,513	18,417	30,176
	3,976,350	4,718,534	1,037,291

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. RIGHT-OF-USE ASSETS (Continued)

As at 30 June 2025, the Group entered into 10 (31 December 2024: 14) lease agreements to use leased premises for vending machines, office premises, warehouses and car parks with remaining lease term of one to three years (31 December 2024: one to three years), with a corresponding addition of right-of-use assets of HK\$16,965 (31 December 2024: HK\$432,781). As at 30 June 2025, the carrying amounts of right-of-use assets and lease liabilities were HK\$2,185,625 and HK\$2,293,092 (31 December 2024: HK\$3,124,314 and HK\$3,241,878), respectively.

The Group makes fixed payments during the contract periods. One of the lease agreement (31 December 2024: one lease agreement) contains an option for further extending the lease period for additional one year by giving a three-month notice to landlord before the end of the lease. The Group considered the option would be exercised at the lease commencement date.

12. INVENTORIES

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
Spare parts	1,707,543	1,920,413
Finished goods	4,810,110	753,096
Merchandise	409,036	403,082
Goods in transit	2,197	120,490
	6,928,886	3,197,081

During the six months ended 30 June 2025, the Group made a provision of HK\$114,768 (2024: HK\$7,731) for inventories write-down based on current market conditions and the historical experience of selling products of similar nature.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
Trade receivables	15,018,036	7,914,816
Less: Allowance for ECL	(2,178)	(5,111)
	15,015,858	7,909,705
Amounts transferred from finance lease receivables upon derecognition	22,988,870	22,988,870
Less: Allowance for ECL	(22,988,870)	(22,988,870)
	—	—
Other receivables, prepayments and deposits		
— Purchase and trial products deposits to suppliers	2,761,561	1,715,838
— Prepayment for upgrade EGE supports services	35,417	70,834
— Prepayment for insurance	82,545	4,850
— Prepayment for annual listing fee	78,150	156,300
— Other prepayments and deposits	278,358	250,150
— Other receivables	338,550	253,305
— Rental deposits	429,121	495,334
	4,003,702	2,946,611
	19,019,560	10,856,316
Representing:		
— Current	18,795,747	10,468,057
— Non-current	223,813	388,259
	19,019,560	10,856,316

The Group allows an average credit period of 30 days to its trade customers throughout the periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aging analysis of trade receivables (before allowance for ECL) presented based on the invoice date at the end of the reporting period:

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
0–30 days	14,698,119	7,768,381
31–60 days	278,717	97,994
61–90 days	41,200	45,291
91–180 days	–	3,150
	15,018,036	7,914,816

14. TRADE AND OTHER PAYABLES

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
Trade payables	9,644,145	3,736,457
Payroll payables and other accrued staff costs	365,891	424,688
Other payables and accrued expenses	1,274,051	1,689,179
Provision for restoration	533,981	533,981
Leasing and franchise deposits received	69,655	74,510
	11,887,723	6,458,815

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. TRADE AND OTHER PAYABLES (Continued)

The credit period on trade payables ranges from 30 to 60 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:

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
0–30 days	1,321,042	1,407,262
31–60 days	8,285,738	2,316,088
Over 90 days	37,365	13,107
	9,644,145	3,736,457

15. CONTRACT LIABILITIES

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
Technical Sales and Distribution of Electronic Gaming Equipment	2,287,669	14,564
Consultancy and Technical services	181,597	461,305
	2,469,266	475,869

Contract liabilities represent the non-refundable deposits received from customers for future gaming machines and equipment and upgrade EGE supports services to be provided by the Group. These goods or services are expected to be recognised as revenue within one year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. SHARE OPTION SCHEME

The Group's share option scheme was conditionally adopted pursuant to a resolution passed on 25 October 2017 as detailed in the annual financial statements of the Group for the year ended 31 December 2024.

During the six months ended 30 June 2025 and as at 30 June 2025, no option has been granted pursuant to the share option scheme (2024: Nil).

17. SHARE CAPITAL

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

	Number of shares	Share capital HK\$
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	10,000,000,000	100,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	1,000,000,000	10,000,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. LEASE COMMITMENTS

As lessee

As at 30 June 2025, the lease commitments for short-term leases of the Group in respect of premises leased for vending machines and car parks (31 December 2024: premises leased for vending machines) are as follows:

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
Within one year	176,672	72,563
After one year but within two years	2,913	–
	179,585	72,563

As lessor

As at 30 June 2025 and 31 December 2024, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of vending machines as follows:

	As at 30 June 2025 HK\$ (unaudited)	As at 31 December 2024 HK\$ (audited)
Within one year	151,719	244,374
After one year but within two years	–	2,670
	151,719	247,044

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated interim financial statements approximate their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has two principal lines of business: 1) the Electronic Gaming Equipment (“**EGE**”) and casino supplemental products (collectively, “**EGE and Supplemental Products**”) Business; and 2) the Smart Vending Machines (“**Smart VM**”) Business.

EGE and Supplemental Products Business:

The Group has been a supplier of EGEs in the Macau Special Administrative Region (“**Macau SAR**”) since 2005 where it is a licensed supplier of EGEs to all six of Macau’s casino concessionaires. The Group also supplies EGEs to land-based casinos in the Asian region. The main EGEs 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 EGEs and provides many services on the EGEs. Overall, the Group’s EGE operations 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. In addition to EGEs, the Group also supplies other supplemental products and equipments that are used by casinos in their operations such as printers, ticketing machines, etc.

During the Period, revenues from the Technical Sales and Distribution of EGEs increased by approximately 39.6% from HK\$13.8 million in the Corresponding Period to HK\$19.3 million in the Period. Revenues from the Consultancy and Technical Services decreased by approximately 45.2% year over year (“**YOY**”) and Repair Services decreased by approximately 54.8% YOY.

Smart VM Business:

The Group began its Smart VM Business in the Macau SAR in the second half of 2021. The aim of our Smart VM Business is targeted at travellers and retail consumers coming to Macau SAR. At its core, the Group is an operator of vending machines selling various Macau-sourced products to travellers and retail consumers to Macau SAR. The Group operates and markets its Smart VMs under its own registered brands and logos in the Macau SAR. The Group’s drinks and snacks VMs are marketed under the KatKatMall logo, and its coffee VMs are marketed under the Katffee logo. The Group also operates and markets customised VMs with well-known product partners, for example, it operates a Choi Heung Yuen (“**CHY**”) VMs specifically for CHY products in the Macau SAR. Overall, the Group’s Smart VM Business can be divided into: (1) sales of products through the Group’s own Smart VMs operations; (2) leasing of Smart VM to outside vendors; and (3) franchising of Smart VMs to franchisees.

As of 30 June 2025, the Group under its own operations has installed a total of 56 VMs of various types in the Macau SAR. In addition to operating our own Smart VMs, the Group has leased out VMs to various vendors with famous Macau Brands, such as CHY, Wong Chi Kei, Gold Seasons, MinM Plaza, 1819 Coffee, Vegetarian Farm, Chi Fung and King Power. Overall, our Smart VM Business generated a revenue of approximately HK\$1.0 million, and a gross profit of approximately HK\$0.4 million for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD OUTLOOK

The Group returned to profitability in 2024 and the first half of 2025. We believe this resurging growth will continue in the second half of 2025 and beyond as casinos continue to strengthen their financial positions. In our core EGE business, we expect customers to continue to order new EGE machines from the Group as our machines have proven to be both attractive and reliable. On the EGE development front, we are working with suppliers to introduce new machines and products to meet the growing demands of the mass gaming market. Some of these developments will involve new technologies that are affecting the gaming industry.

The Group is committed to new technologies and developments in the gaming industry. Strategically, the Group continues to seek opportunities to expand our product portfolio to include supplemental products that are used by casinos in their gaming-related or marketing-related operations. We believe the gaming industry as a whole has ample room for growth. We believe the Group can leverage off its Macau SAR background and gaming industry experience to expand its business for our Shareholders.

With over 20 years of gaming experience, and extensive casino and regulatory relationships, the Group believes it can profitably leverage off our experience to expand our portfolio of products.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The total revenue of the Group increased by approximately 15.7% from approximately HK\$19.9 million for the Corresponding Period to approximately HK\$23.0 million for the Period. The increase in revenue was mainly attributable to a 39.6% increase of income derived from Technical Sales and Distribution of EGE.

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	Six months ended 30 June		Period-on- period change
	2025	2024	
	HK\$	HK\$	%
Technical Sales and Distribution of EGE	19,274,989	13,810,608	39.6%
Consultancy and Technical Services	2,516,772	4,589,218	(45.2%)
Repair Services	204,247	451,924	(54.8%)
Product Sales through Smart VM	711,975	978,655	(27.2%)
Leasing of Smart VM	318,001	66,825	375.9%
Franchise	15,665	20,820	(24.8%)
Total	23,041,649	19,918,050	15.7%

MANAGEMENT DISCUSSION AND ANALYSIS

Technical Sales and Distribution of EGE

Revenue from Technical Sales and Distribution of EGE increased by 39.6% to approximately HK\$19.3 million for the Period (Corresponding Period: approximately HK\$13.8 million).

Gross profit margin on sale of EGE decreased to 45.5% over the Period (Corresponding Period: gross profit margin of 46.6%).

Consultancy and Technical Services

Revenue from Consultancy and Technical Services decreased by 45.2% to approximately HK\$2.5 million for the Period (Corresponding Period: approximately HK\$4.6 million).

Gross profit margin on Consultancy and Technical Services increased to 69.5% over the Period (Corresponding Period: gross profit margin of 61.9%).

Repair Services

Repair Services revenue decreased by 54.8% to approximately HK\$0.2 million for the Period (Corresponding Period: approximately HK\$0.5 million).

Product Sales through Smart VM

Product Sales through Smart VM revenue decreased by 27.2% to approximately HK\$0.7 million for the Period (Corresponding Period: approximately HK\$1.0 million).

Leasing of Smart VM

Leasing of Smart VM revenue increased by 375.9% to approximately HK\$0.3 million for the Period (Corresponding Period: HK\$66,825).

Franchise

Franchise revenue decreased by 24.8% to HK\$15,665 for the Period (Corresponding Period: HK\$20,820).

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit/(loss) and gross profit/(loss) margin by revenue streams

The following table sets forth the breakdown of the Group's gross profit/(loss) and gross profit/(loss) margin by types of goods and services for the Period and the Corresponding Period:

For the six months ended 30 June 2025

	Technical Sales and Distribution of EGE HK\$	Consultancy and Technical Services HK\$	Repair Services HK\$	Product Sales through Smart VM HK\$	Leasing of Smart VM HK\$	Franchise HK\$	Total HK\$
Revenue	19,274,989	2,516,772	204,247	711,975	318,001	15,665	23,041,649
Cost of sales and services	(10,505,492)	(767,249)	(149,897)	(674,404)	–	(2,135)	(12,099,177)
Gross profit	8,769,497	1,749,523	54,350	37,571	318,001	13,530	10,942,472
Gross profit margin	45.5%	69.5%	26.6%	5.3%	100%	86.4%	47.5%

For the six months ended 30 June 2024

	Technical Sales and Distribution of EGE HK\$	Consultancy and Technical Services HK\$	Repair Services HK\$	Product Sales through Smart VM HK\$	Leasing of Smart VM HK\$	Franchise HK\$	Total HK\$
Revenue	13,810,608	4,589,218	451,924	978,655	66,825	20,820	19,918,050
Cost of sales and services	(7,377,559)	(1,749,398)	(469,803)	(884,839)	–	(5,419)	(10,487,018)
Gross profit/(loss)	6,433,049	2,839,820	(17,879)	93,816	66,825	15,401	9,431,032
Gross profit/(loss) margin	46.6%	61.9%	(4%)	9.6%	100%	74%	47.3%

The Group's gross profit margin increased from approximately 47.3% for the Corresponding Period to gross profit margin of approximately 47.5% for the Period. The increase in gross profit margin was mainly attributable to an increased in gross profit margin for consultancy and technical services.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income and other gains

The Group incurred net foreign exchange gains of HK\$24,738 for the Period (Corresponding Period: HK\$173,675) due to the fluctuation of European dollar ("EUR") against HK\$, which was favourable to our payables position to one of our suppliers in Europe.

Operating expenses

The Group's operating expenses increased by approximately 6.8% from approximately HK\$10.3 million for the Corresponding Period to approximately HK\$11.0 million for the Period. This increase was attributable to increase in staff costs and travelling expenses.

Impairment losses on financial assets

The Group recognised a net reversal of ECL on trade receivables of HK\$2,933 for the Period (Corresponding Period: HK\$6,949).

Profit

The Group recorded net profit attributable to the owners of the Company of HK\$24,959 for the Period compared to a net loss of approximately HK\$0.6 million for the Corresponding Period. The increase in profit was mainly attributable to an increase in revenue to approximately HK\$23.0 million for the Period as compared to approximately HK\$19.9 million for the Corresponding Period, being a 15.7% rise.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

During the Period, the Group financed its operations by its internal resources. As at 30 June 2025, the Group had net current assets of approximately HK\$16.8 million compared with those of approximately HK\$16.2 million as at 31 December 2024. As at 30 June 2025 and 31 December 2024, the Group had no bank borrowings, bank overdrafts, nor other bank loans. Gearing ratio (which is calculated by dividing total debt by total equity and then multiplied by 100%) was not applicable to the Group as at 30 June 2025. As at 30 June 2025, the capital structure of the Company comprised issued share capital and reserves. There has been no change in the capital structure of the Company since 31 December 2024. The capital structure refers to the maturity profile of debt and obligation, type of capital instruments used, currency and interest rate structure.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this 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

Save as disclosed in this report, the Group did not make any significant investments or material acquisitions and disposal of subsidiaries, associates or joint ventures during the Period.

CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 39 employees (30 June 2024: 38). Employee remuneration package is based on the previous working experience and actual performance of individual employees. Apart from the basic salary, discretionary bonus and allowance will be granted to employees based on their individual performance approved by the executive Directors. For the Period, the Group incurred staff costs, including Directors' remuneration of approximately HK\$7.5 million (Corresponding Period: approximately HK\$7.2 million).

The Company has adopted a share option scheme on 25 October 2017 (the **"Share Option Scheme"**) for the purpose of recognising and acknowledging the contribution of employees and directors of the Group and other selected participants.

The Group provides ongoing on-the-job training to its employees to enhance their performance and improve their technical expertise. Apart from internal training, EGE manufacturers also provide external trainings to the Group's employees, covering topics such as the operation and features of their products.

CHARGES ON GROUP'S ASSETS

As at 30 June 2025, the Group had no charges on its assets (31 December 2024: 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 30 June 2025, all cash on hand was deposited with licensed financial institutions in the Hong Kong Special Administrative Region (**"Hong Kong SAR"**), Macau SAR and the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

CUSTOMER RELATIONSHIPS

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

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

	Six months ended 30 June	
	2025	2024
	HK\$ Unaudited	HK\$ Unaudited
Customer A	14,664,073	NA [#]
Customer B	2,916,181	NA [#]
Customer C	NA[#]	8,712,690
Customer D	NA[#]	6,821,716

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

FOREIGN CURRENCY EXPOSURE

The Group invoices its customers mainly in HK\$, MOP and EUR. The main exposure to foreign currency fluctuations comes from supplies in EUR. For the Period, the Group's net foreign exchange gain was HK\$24,738, a decrease from HK\$173,675 for the Corresponding Period. This was attributable to the fluctuation of exchange rate of HK\$ against EUR, which affected our payables in EUR liabilities.

DIVIDEND

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

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, 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 SAR (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 of the Company (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	295,759,680	29.57%
Mr. Ng Man Ho Herman ("Mr. Ng")	Beneficial owner	289,939,680	28.99%
Mr. Chan Chi Lun ("Mr. Chan")	Beneficial owner	153,490,640	15.34%

* The percentage represents the total number of the Shares and the underlying Shares, if any, interested divided by the number of issued Shares of 1,000,000,000 as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, 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 (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.

DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2025, other than the interests which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO in respect of the Directors and the chief executive of the Company, the Company had not been notified by any person or entity, not being a Director or the chief executive of the Company, of having 5% or more of the interests and short positions in the Shares and underlying Shares as required to be recorded in the register under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling Shareholders (as defined under the GEM Listing Rules) or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business apart from the Group's business which had competed or was likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest with the Group during the Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company adopted and has complied with all the mandatory disclosure requirements and applicable code provisions as set out in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct governing securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had fully complied with the Required Standard of Dealings during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities (including sale of treasury shares, if any).

As at 30 June 2025, the Company did not hold any treasury shares.

SHARE OPTION SCHEME

The Share Option Scheme became effective upon the commencement of dealings of the Shares on the Listing Date. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions of the participants to the Group by granting options to them as incentives or rewards. The Board considers that the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group.

The Board may, at its discretion and on such terms as it may think fit, grant an option to any participant, including Directors (including executive Directors and the independent non-executive Directors ("**INEDS**")), executive, employee, consultant, adviser and/or agent of any member of the Group and any other person who has contributed to the success of the Listing, in each case, as determined by the Board.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not exceed 100,000,000 Shares, representing 10% of the Shares in issue (excluding treasury shares, if any) upon the Listing. The total number of the Shares issued and to be issued upon exercise of the options granted to each grantee (with the exception of the INEDs, the substantial Shareholders and their respective associates (the **"Relevant Parties"**)) under the Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue (excluding treasury shares, if any) for the time being unless approval from the Shareholders in general meeting (the **"Shareholders' Approval"**) is obtained with such grantee and his/her/its associates abstaining from voting. The Relevant Parties are subject to 0.1% of the Shares or a maximum of HK\$5 million in respect of the value of the underlying Shares unless the Shareholders' Approval is obtained. The exercisable period of an option under the Share Option Scheme will be notified by the Board to each participant, which shall not exceed 10 years from the date upon which the option is deemed to be granted and accepted. The Board will determine the minimum period, which shall be no less than one year, for which an option must be held before it becomes exercisable. HK\$1.00 is payable by a grantee on acceptance of the options. The subscription price for the Shares payable on the exercise of an option shall be a price determined by the Board at its absolute discretion and notified to a participant and shall be no less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant of option(s), which must be a business day; (ii) the average of the closing prices of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant of option(s); or (iii) the nominal value of a Share on the date of grant of option(s). The Share Option Scheme is valid for a period which commenced on the Listing Date and will expire at 5:00 p.m. on the business day preceding the tenth anniversary of such date.

As at the date of this report, the Company has not granted or issued any option. Therefore, no options lapsed or were exercised or cancelled during the Period and there were no outstanding options as at 30 June 2025. As at 1 January 2025 and 30 June 2025, the total number of shares available for issue under the Share Option Scheme was 100,000,000 shares, which represent approximately 10% of the Company's issued share capital. Further details regarding the principal terms of the Share Option Scheme were included in the prospectus of the Company dated 31 October 2017 under the section "Appendix IV Statutory and General Information — Share Option Scheme".

IMPORTANT EVENTS AFTER THE PERIOD

The Board is not aware of any material event requiring disclosure, that has taken place subsequent to 30 June 2025 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGE IN INFORMATION OF DIRECTORS

Subsequent to the date of the Company's annual report for the year ended 31 December 2024, there was no change in the Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

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 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 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 of the Group for the Period and this report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By Order of the Board

Asia Pioneer Entertainment Holdings Limited

HUIE, Allen Tat Yan

Chairman and Executive Director

Hong Kong, 26 August 2025

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), Mr. CHAN Chi Lun (Chief Financial Officer) and Ms. Maria Fatima FRANCISCO FREIRE GARCIA; and the INEDs are Mr. CHOI Kwok Wai, Mr. MA Chi Seng and Mr. HO Kevin King Lun.