



INTERIM REPORT 2026

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*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.*

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2026 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 2026 (the “**Period**”), together with the unaudited corresponding figures for the six months ended 30 June 2025 (the “**Corresponding Period**”). The Group’s revenue increased by 47.3% from approximately HK\$23.0 million for the Corresponding Period to approximately HK\$33.9 million for the Period.

During the Period, the Group’s gross profit increased from approximately HK\$10.9 million for the Corresponding Period to gross profit of approximately HK\$15.9 million for the Period. The Group’s gross profit margin decreased to 46.9% for the Period compared to 47.5% for the Corresponding Period.

The Group’s operating expenses increased by 9.8% over the Period to approximately HK\$12.1 million (Corresponding Period: approximately HK\$11.0 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 approximately HK\$2.3 million (Corresponding Period: profit and total comprehensive income of HK\$24,959), 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 2026

	Notes	Six months ended 30 June	
		2026 HK\$ (unaudited)	2025 HK\$ (unaudited)
Revenue	3	33,939,225	23,041,649
Cost of sales and services		(18,035,389)	(12,099,177)
Gross profit		15,903,836	10,942,472
Other income, gains and losses	4	(340,656)	194,488
Write-down of inventories to net realisable value, net		(155,676)	(114,768)
(Impairment)/Reversal of expected credit losses ("ECL"), net	5	(556)	2,933
Operating expenses		(12,117,018)	(11,031,415)
Finance costs		(96,823)	(81,393)
Profit/(Loss) before income tax		3,193,107	(87,683)
Income tax (expense)/credit	6	(893,251)	112,642
Profit and total comprehensive income for the period	7	2,299,856	24,959
		HK cents	HK cents
Earnings per share			
Basic and diluted	9	0.23	0.00

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property and equipment	10	974,662	1,044,408
Right-of-use assets	11	1,331,294	1,737,714
Financial asset at fair value through other comprehensive income ("FVOCI")		783,495	783,495
Rental deposits	13	86,674	33,981
		3,176,125	3,599,598
Current assets			
Inventories	12	7,338,479	2,862,771
Trade and other receivables	13	11,826,951	8,253,295
Amount due from a related company		–	100,000
Fixed bank deposits		8,758,724	8,697,189
Bank balances and cash		15,189,269	11,850,440
		43,113,423	31,763,695
Current liabilities			
Trade and other payables	14	11,666,677	5,603,620
Contract liabilities	15	1,050,385	87,860
Bank borrowing	16	1,154,470	–
Lease liabilities		1,069,606	1,726,042
Income tax payable		2,441,590	1,578,669
		17,382,728	8,996,191
Net current assets		25,730,695	22,767,504
Total assets less current liabilities		28,906,820	26,367,102



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
	Notes		
Non-current liabilities			
Lease liabilities		319,670	110,138
Deferred tax liabilities		56,589	26,259
		376,259	136,397
Net assets		28,530,561	26,230,705
EQUITY			
Share capital	18	10,000,000	10,000,000
Reserves		18,530,561	16,230,705
Total equity		28,530,561	26,230,705

The condensed consolidated interim financial statements on pages 3 to 31 were approved and authorised for issue by the board of directors of the Company on 28 August 2026 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 2026

	Share capital HK\$	Share premium* HK\$	Merger reserve* HK\$	Legal reserve* HK\$	Accumulated losses* HK\$	Total HK\$
As at 1 January 2026 (audited)	10,000,000	55,098,836	(3,416,148)	504,489	(35,956,472)	26,230,705
Profit and total comprehensive income for the period	–	–	–	–	2,299,856	2,299,856
Balance as at 30 June 2026 (unaudited)	10,000,000	55,098,836	(3,416,148)	504,489	(33,656,616)	28,530,561
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

* These reserve accounts comprise the Group's reserves of HK\$18,530,561 as at 30 June 2026 (31 December 2025: HK\$16,230,705) in the condensed consolidated statement of financial position.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK\$ (unaudited)	2025 HK\$ (unaudited)
Net cash from/(used in) operating activities	3,399,582	(3,077,147)
Investing activities		
Interest received	139,505	84,927
Placement of fixed bank deposits	(8,758,724)	(2,423,622)
Maturity of fixed bank deposits	8,697,189	4,320,483
Purchase of property and equipment	(279,470)	(39,675)
Net cash (used in)/from investing activities	(201,500)	1,942,113
Financing activities		
Interest paid	(54,122)	–
Repayments of lease liabilities	(959,601)	(1,047,144)
Proceeds from bank borrowing	8,969,125	–
Repayments of bank borrowing	(7,814,655)	–
Net cash from/(used in) financing activities	140,747	(1,047,144)
Net increase/(decrease) in cash and cash equivalents	3,338,829	(2,182,178)
Cash and cash equivalents at the beginning of the period	11,850,440	8,139,417
Cash and cash equivalents at the end of the period, represented by bank balances and cash	15,189,269	5,957,239

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 2026, 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 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, spare parts, supplemental products and the related after sales services to casino operators (“**Technical Sales and Distribution of EGE**”);
 - (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 and support services to both manufacturers and casino operators (“**Consultancy and Technical Services**”); and
 - (iii) provision of repair services to casino operators (“**Repair Services**”).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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

- (b) the smart vending machines (“**Smart VM**”) business (the “**Smart VM Business**”) in 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 the 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 2025.

The condensed consolidated interim financial statements are presented in Hong Kong dollars (“**HKS**”), 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 2026 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Amended IFRS Accounting Standards that are effective for annual period beginning on 1 January 2026

The condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the following amended IFRS Accounting Standards which are effective as of 1 January 2026.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

The adoption of these amended IFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

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 2026 and 2025 were as follows:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 2026

	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	27,406,840	—	—	—	—	—	27,406,840	
— Electronic gaming machines	1,750,642	—	—	—	—	—	1,750,642	
— Spare parts	949,983	—	—	—	—	—	949,983	
	30,107,465	—	—	—	—	—	30,107,465	
Consultancy and Technical Services								
— Technical supports	—	2,398,425	—	—	—	—	2,398,425	
— Upgrade EGE supports services	—	520,458	—	—	—	—	520,458	
	—	2,918,883	—	—	—	—	2,918,883	
Repair Services								
	—	—	—	—	—	—	—	
Product Sales through Smart VM								
— Sale of own goods	—	—	—	574,401	—	—	574,401	
— Consignment sale	—	—	—	4,382	—	—	4,382	
	—	—	—	578,783	—	—	578,783	
Franchise								
— Sale of own goods	—	—	—	—	—	2,107	2,107	
— Franchise license	—	—	—	—	—	5,586	5,586	
	—	—	—	—	—	7,693	7,693	
Total	30,107,465	2,918,883	—	578,783	—	7,693	33,612,824	
Revenue from other sources not within the scope of IFRS 15								
Leasing of Smart VM								
	—	—	—	—	326,401	—	326,401	
Total	30,107,465	2,918,883	—	578,783	326,401	7,693	33,939,225	

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 2026 (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	29,834,153	2,918,883	–	578,783	–	7,693	33,339,512	
Philippines	115,712	–	–	–	–	–	115,712	
Taiwan	153,079	–	–	–	–	–	153,079	
Others	4,521	–	–	–	–	–	4,521	
Total	30,107,465	2,918,883	–	578,783	–	7,693	33,612,824	
Timing of revenue recognition								
At a point in time	30,107,465	689,117	–	578,783	–	7,693	31,383,058	
Over time	–	2,229,766	–	–	–	–	2,229,766	
Total	30,107,465	2,918,883	–	578,783	–	7,693	33,612,824	
Revenue from other sources not within the scope of IFRS 15								
Geographical markets								
Macau	–	–	–	–	326,401	–	326,401	
Total	–	–	–	–	326,401	–	326,401	



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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			Total
	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 2026

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	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	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
Total	–	–	–	–	318,001	–	318,001



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 2026

	EGE Business HK\$ (unaudited)	Smart VM Business HK\$ (unaudited)	Total HK\$ (unaudited)
Reportable segment revenue			
— From external customers	33,026,348	912,877	33,939,225
Reportable segment results (Note)	5,386,609	(290,288)	5,096,321
Unallocated corporate expenses			(1,903,214)
Profit before income tax			3,193,107
Income tax expense			(893,251)
Profit for the period			2,299,856

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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	139,503	2	—	139,505
— Net foreign exchange losses	(519,722)	(32)	—	(519,754)
— Depreciation of property and equipment	(59,980)	(289,236)	—	(349,216)
— Depreciation of right-of-use assets	(744,036)	(132,380)	—	(876,416)
— Impairment of ECL, net	(556)	—	—	(556)
— Finance costs	(88,861)	(7,962)	—	(96,823)
— Write-down of inventories to net realisable value, net	(153,280)	(2,396)	—	(155,676)
Other segment item				
Additions to non-current assets	405,158	344,308	—	749,466
As at 30 June 2026				
Segment assets	42,898,756	2,357,321	1,033,471	46,289,548
Segment liabilities	16,788,701	819,898	150,388	17,758,987



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 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 (Note)	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 2026

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 31 December 2025 (Audited)				
Segment assets	31,872,092	2,290,660	1,200,541	35,363,293
Segment liabilities	8,471,150	643,850	17,588	9,132,588



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026 HK\$ (unaudited)	2025 HK\$ (unaudited)
Other income		
Bank interest income	139,505	84,927
Freight income from delivery	–	37,087
Others	39,593	47,736
	179,098	169,750
Other (losses)/gains		
Net foreign exchange (losses)/gains	(519,754)	24,738
	(340,656)	194,488

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. (IMPAIRMENT)/REVERSAL OF ECL, NET

	Six months ended 30 June	
	2026	2025
	HK\$	HK\$
	(unaudited)	(unaudited)
(Impairment)/Reversal of ECL, net		
— Trade receivables	(556)	2,933

6. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2026	2025
	HK\$	HK\$
	(unaudited)	(unaudited)
Current tax		
Macau Complementary Tax	(862,920)	—
Deferred tax	(30,331)	112,642
Income tax (expense)/credit	(893,251)	112,642

Macau

For the six months ended 30 June 2026, the Group is subject to Macau Complementary Tax at a rate of 12% on the assessable profits.

For the six months ended 30 June 2025, no provision for Macau Complementary Tax has been made as the Group did not generate assessable profit arising in Macau.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. INCOME TAX (EXPENSE)/CREDIT (Continued)

Macau (Continued)

The Group assessed the impact of the application of IFRIC 23 “Uncertainty over Income Tax Treatments” in relation to the inter-company management fee paid to Asia Pioneer Entertainment, Ltd. (“**APE BVI**”) and expenses paid to foreign suppliers and services providers for which APE BVI and those foreign suppliers and services providers are neither Macau entities nor Macau tax residents which, in the opinion of management, are not probable that the tax authority will accept as deductible expenses. Hence, the tax effect of approximately HK\$538,000 (2025: HK\$538,000) in respect of the possible non-deductible expenses has been included in the tax expenses for the six months ended 30 June 2026 based on the most likely amount.

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 People’s Republic of China (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 2026

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	HK\$	HK\$
	(unaudited)	(unaudited)
Directors' emoluments	3,123,017	2,378,184
Other staff costs		
— Salaries and allowances	5,427,906	5,083,526
— Retirement benefits scheme contributions (<i>note</i>)	21,252	20,466
	8,572,175	7,482,176
Lease charges:		
— Short term leases	293,756	131,324
Depreciation:		
— Property and equipment	349,216	336,160
— Right-of-use assets	876,416	955,654
Total depreciation	1,225,632	1,291,814
Auditor's remuneration	407,767	407,767
Cost of inventories recognised as expenses	16,997,230	10,966,420
Cost of service provided	69,507	104,924

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 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK\$	HK\$
	(unaudited)	(unaudited)
Earnings for the purpose of basic earnings per share		
Profit for the period attributable to the owners of the Company	2,299,856	24,959
Number of shares		
Weighted average number of ordinary shares	1,000,000,000	1,000,000,000
	HK cents	HK cents
Basic earnings per share	0.23	0.00

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

10. PROPERTY AND EQUIPMENT

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Carrying values		
Electrical equipment	250,198	9,694
Computers	245,855	267,969
Motor vehicles	292,833	343,433
Vending machines	185,776	423,312
	974,662	1,044,408

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. PROPERTY AND EQUIPMENT (Continued)

During the current interim period, property and equipment of HK\$279,470 is acquired (2025: HK\$390,015).

11. RIGHT-OF-USE ASSETS

	Carrying amount		Depreciation
	As at 30 June 2026 HK\$ (unaudited)	As at 1 January 2026 HK\$ (audited)	For the six months ended 30 June 2026 HK\$ (unaudited)
Premises for vending machines	524,236	312,308	132,380
Office premises	588,827	1,177,653	588,826
Warehouses	103,316	227,295	123,979
Car parks	114,915	20,458	31,231
	1,331,294	1,737,714	876,416

	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



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. RIGHT-OF-USE ASSETS (Continued)

As at 30 June 2026, the Group entered into 10 (31 December 2025: 10) lease agreements to use leased premises for vending machines, office premises, warehouses and car parks with remaining lease term of one to five years (31 December 2025: one to three years). During the six months ended 30 June 2026, the additions to right-of-use assets were HK\$469,996, including lease modification of HK\$220,716 (31 December 2025: HK\$477,271). As at 30 June 2026, the carrying amounts of right-of-use assets and lease liabilities were HK\$1,331,294 and HK\$1,389,276 (31 December 2025: HK\$1,737,714 and HK\$1,836,180), respectively.

12. INVENTORIES

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Spare parts	2,057,757	2,088,194
Finished goods	4,968,693	387,487
Merchandise	310,694	387,090
Goods in transit	1,335	—
	7,338,479	2,862,771

During the six months ended 30 June 2026, the Group made a provision of HK\$155,676 (2025: HK\$661,133) 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 2026

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Trade receivables	5,754,140	5,250,000
Less: Allowance for ECL	(4,105)	(3,549)
	5,750,035	5,246,451
Other receivables, prepayments and deposits		
— Purchase and trial products deposits to suppliers	4,898,707	1,505,048
— Prepayment for upgrade EGE supports services	—	57,553
— Prepayment for insurance	108,002	217,248
— Prepayment for annual listing fee	78,150	156,300
— Other prepayments and deposits	287,263	289,873
— Other receivables	339,882	360,809
— Rental deposits	451,586	453,994
	6,163,590	3,040,825
	11,913,625	8,287,276
Representing:		
— Current	11,826,951	8,253,295
— Non-current	86,674	33,981
	11,913,625	8,287,276

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 2026

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 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
0–30 days	3,097,790	1,992,246
31–60 days	2,251,777	160,875
61–90 days	6,910	940,960
91–180 days	–	2,155,919
Over 180 days	397,663	–
	5,754,140	5,250,000

14. TRADE AND OTHER PAYABLES

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Trade payables	7,156,564	3,209,252
Payroll payables and other accrued staff costs	515,880	228,392
Other payables and accrued expenses	3,377,418	1,525,442
Provision for restoration	533,981	533,981
Leasing and franchise deposits received	82,834	106,553
	11,666,677	5,603,620

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
0–30 days	2,243,258	1,393,797
31–60 days	4,714,926	1,154,218
61–90 days	–	65,814
Over 90 days	198,380	595,423
	7,156,564	3,209,252

15. CONTRACT LIABILITIES

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Technical Sales and Distribution of Electronic Gaming Equipment	1,050,385	–
Consultancy and Technical Services	–	87,860
	1,050,385	87,860

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 2026

16. BORROWING

As at 30 June 2026 and 31 December 2025, the borrowing was repayable as follows:

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Current		
Secured bank loan repayable within one year	1,154,470	–

As at 30 June 2026, the Group had a banking facility of HK\$20.0 million, which bore interest at the prime rate minus 1.5% per annum and was secured by:

- (1) A promissory note of HK\$22.0 million;
- (2) Corporate guarantee by the Company; and
- (3) Pledge over certain bank accounts for receiving payments from buyers.

As at 30 June 2026, the facility had been utilised by the Group of approximately HK\$1.2 million (2025: Nil).

17. 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 2025.

During the six months ended 30 June 2026 and as at 30 June 2026, no option has been granted pursuant to the share option scheme (2025: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

18. 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 2025, 31 December 2025, 1 January 2026 and 30 June 2026	10,000,000,000	100,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	1,000,000,000	10,000,000

19. LEASE COMMITMENTS

As lessee

As at 30 June 2026, the lease commitments for short-term leases of the Group in respect of premises leased for vending machines and car parks (31 December 2025: premises leased for vending machines) are as follows:

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Within one year	107,352	100,835



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

19. LEASE COMMITMENTS (Continued)

As lessor

As at 30 June 2026 and 31 December 2025, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of vending machines as follows:

	As at 30 June 2026 HK\$ (unaudited)	As at 31 December 2025 HK\$ (audited)
Within one year	177,915	360,976
After one year but within two years	18,689	—
	196,604	360,976

20. 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. Firstly, it is a supplier of electronic gaming equipment (“**EGE**”) to casinos in the Macau Special Administrative Region (“**Macau SAR**” or “**Macau**”) and Asia (the “**EGE Business**”). Secondly, it is an operator of smart vending machines in Macau selling various Macau sourced products to consumers and travelers (the “**Smart VM Business**”).

EGE 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; (2) the Repair Services; and (3) the Consultancy and Technical Services.

During the Period, revenue from the Technical Sales and Distribution of EGEs increased by approximately 56.2% from HK\$19.3 million in the Corresponding Period to HK\$30.1 million in the Period. Revenue from the Consultancy and Technical Services increased by approximately 16.0% period over period. For the Period, there is no revenue from the Repair Services.

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 own goods and consignment sale through the Group’s own Smart VMs operations; (2) leasing of Smart VM to outside vendors; and (3) franchising of Smart VMs to franchisees.

MANAGEMENT DISCUSSION AND ANALYSIS

As of 30 June 2026, the Group under its own operations has installed a total of 58 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\$0.9 million, and a gross profit of approximately HK\$0.4 million for the Period.

FORWARD OUTLOOK

Coming off of our excellent results for the first half of 2026, we continue to be confident of the Group's growth trajectory for the second half of 2026. Supported by robust demand and ongoing orders in our core Macau market, we expect even higher performance for the second half of the year. Casino operators in Macau continue to place new purchase and replacement orders for our core EGEs, reinforcing our market presence and financial foundation.

Looking further, the Group is prudently exploring opportunities to capture more revenue internationally, beyond Macau. We have submitted our application to be a licensed supplier in the United Arab Emirates ("**UAE**"), which would position the Group for EGE sales to casinos opening in the UAE. We expect to hear back on this licensing in the second half of the year. In Singapore, we are closely collaborating with our manufacturing partners to obtain relevant licenses for its EGE products. Once approved, the Group expects to be positioned for significant EGE sales to casinos in the city-state. In Japan, following the country's decision to allow integrated resorts ("**IRs**") in the country, the Group is the process of applying for a supplier's license so as to position the Group for the opening of IRs in the country expected in the next several years.

From a product standpoint, the Group is looking to expand its product portfolio beyond its core EGEs. We are looking to be a distributor of other gaming-related products such as casino operations and floor management solutions. We believe our deep casino/client relationships and regulatory experience will allow us to enter into the market for these products. With over 21 years of proven operating history, the Group is well-positioned to scale its operations, expand its geographical footprint, and deliver sustainable long-term value to our Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The total revenue of the Group increased by approximately 47.3% from approximately HK\$23.0 million for the Corresponding Period to approximately HK\$33.9 million for the Period. The increase in revenue was mainly attributable to a 56.2% increase of revenue 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
	2026	2025	
	HK\$	HK\$	%
Technical Sales and Distribution of EGE	30,107,465	19,274,989	56.2%
Consultancy and Technical Services	2,918,883	2,516,772	16.0%
Repair Services	–	204,247	(100.0)%
Product Sales through Smart VM	578,783	711,975	(18.7)%
Leasing of Smart VM	326,401	318,001	2.6%
Franchise	7,693	15,665	(50.9)%
Total	33,939,225	23,041,649	47.3%

MANAGEMENT DISCUSSION AND ANALYSIS

Technical Sales and Distribution of EGE

Revenue from Technical Sales and Distribution of EGE increased by 56.2% to approximately HK\$30.1 million for the Period (Corresponding Period: approximately HK\$19.3 million).

Gross profit margin on sale of EGE decreased to 44.4% over the Period (Corresponding Period: gross profit margin of 45.5%).

Consultancy and Technical Services

Revenue from Consultancy and Technical Services increased by 16.0% to approximately HK\$2.9 million for the Period (Corresponding Period: approximately HK\$2.5 million).

Gross profit margin on Consultancy and Technical Services increased to 75.0% over the Period (Corresponding Period: gross profit margin of 69.5%).

Repair Services

For the Period, there is no revenue from Repair Services (Corresponding Period: approximately HK\$0.2 million).

Product Sales through Smart VM

Product Sales through Smart VM revenue decreased by 18.7% to approximately HK\$0.6 million for the Period (Corresponding Period: approximately HK\$0.7 million).

Leasing of Smart VM

Leasing of Smart VM revenue increased by 2.6% to HK\$326,401 for the Period (Corresponding Period: HK\$318,001).

Franchise

Franchise revenue decreased by 50.9% to HK\$7,693 for the Period (Corresponding Period: HK\$15,665).

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin by revenue streams

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

For the six months ended 30 June 2026

	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	30,107,465	2,918,883	-	578,783	326,401	7,693	33,939,225
Cost of sales and services	(16,744,373)	(731,057)	-	(558,970)	-	(989)	(18,035,389)
Gross profit	13,363,092	2,187,826	-	19,813	326,401	6,704	15,903,836
Gross profit margin	44.4%	75.0%	-	3.4%	100.0%	87.1%	46.9%

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%	100.0%	86.4%	47.5%

The Group's gross profit margin decreased from approximately 47.5% for the Corresponding Period to gross profit margin of approximately 46.9% for the Period.

Other income, gains and losses

The Group incurred net foreign exchange loss of HK\$519,754 for the Period (Corresponding Period: net foreign exchange gain of HK\$24,738) due to the appreciation of European dollar ("EUR") against HK\$, which was unfavourable to our trade payables position to one of our suppliers in Europe.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating expenses

The Group's operating expenses increased by approximately 9.8% from approximately HK\$11.0 million for the Corresponding Period to approximately HK\$12.1 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 impairment losses of ECL on trade receivables of HK\$556 for the Period (Corresponding Period: net reversal of ECL of HK\$2,933).

Net profit

The Group recorded net profit attributable to the owners of the Company of approximately HK\$2.3 million for the Period compared to a net profit of HK\$24,959 for the Corresponding Period. The increase in net profit was mainly attributable to an increase in revenue to approximately HK\$33.9 million for the Period as compared to approximately HK\$23.0 million for the Corresponding Period, being a 47.3% rise.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

During the Period, the Group financed its operations by its internal resources and bank financing. As at 30 June 2026, the Group had net current assets of approximately HK\$25.7 million compared with those of approximately HK\$22.8 million as at 31 December 2025. As of 31 December 2025, the Group had no bank borrowings, overdrafts, or other loans. During the six months ended 30 June 2026, the Group had access to a banking facility amounting to HK\$20.0 million, which was secured by a promissory note, a corporate guarantee by the Company, and a pledge over certain bank accounts for receiving payments from buyers. As at 30 June 2026, the facility had been utilised by the Group of approximately HK\$1.2 million. As at 30 June 2026, the Group's gearing ratio, calculated by dividing bank borrowing and lease liabilities by total equity, was 8.9%. As at 30 June 2026, 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 2025. 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 this report, the Group did not have any other plans for material investment or capital assets as at the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2026 and 31 December 2025, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 40 employees (30 June 2025: 39). 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\$8.6 million (Corresponding Period: approximately HK\$7.5 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 2026, the Group's banking facilities were secured by the pledge of the Group's bank accounts with an aggregate carrying amount of approximately HK\$0.1 million (31 December 2025: 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 2026, 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 for the Period and the Corresponding Period are as follows:

	Six months ended 30 June	
	2026	2025
	HK\$ Unaudited	HK\$ Unaudited
Customer A	19,145,894	14,664,073
Customer B	7,837,997	NA [#]
Customer C	NA [#]	2,916,181

[#] 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 trade payables denominated in EUR. For the Period, the Group's net foreign exchange loss was HK\$519,754, a turnaround from the net foreign exchange gain of HK\$24,738 for the Corresponding Period. This was attributable to the appreciation of exchange rate of EUR against HK\$, which affected our trade payables in EUR.

DIVIDEND

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

This decision reflects the Board's commitment to preserving funds for future strategic initiatives and operational needs, ensuring the Company remains well-positioned for long-term growth the resilience.

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 2026, 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	153,940,640	15.39%

* 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 2026.

Save as disclosed above, as at 30 June 2026, 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 2026, 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 2026, 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 15 November 2017 (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.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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.

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 2026. As at 1 January 2026 and 30 June 2026, 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 (excluding treasury shares, if any). 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”.

CORPORATE GOVERNANCE AND OTHER INFORMATION

IMPORTANT EVENTS AFTER THE PERIOD

The Board is not aware of any material event requiring disclosure, that has taken place subsequent to 30 June 2026 and up to the date of this report.

CHANGE IN INFORMATION OF DIRECTORS

Subsequent to the date of the Company's annual report for the year ended 31 December 2025, 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, 28 August 2026

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.