



**MAPLE PEAK INVESTMENTS INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited –Prepared by Management)**

**Nine Months Ended January 31, 2018 and 2017**

**MAPLE PEAK INVESTMENTS INC.**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements; the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed interim financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

(signed)

*"Samuel Yuen-Wai Tsang"*

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Chief Financial Officer

March 27, 2018

**MAPLE PEAK INVESTMENTS INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**  
**EXPRESSED IN CANADIAN DOLLARS**

|                                                   | January 31, 2018     | April 30, 2017      |
|---------------------------------------------------|----------------------|---------------------|
| <b>ASSETS</b>                                     |                      |                     |
| <b>Current</b>                                    |                      |                     |
| Cash and cash equivalents                         | \$ 4,974,582         | \$ 5,404,913        |
| Marketable securities                             | 64,736               | -                   |
| Other receivables                                 | 10,277               | 9,144               |
| Prepaid expenses                                  | -                    | 3,850               |
|                                                   | <u>5,049,595</u>     | <u>5,417,907</u>    |
| <b>Investments (Note 3)</b>                       | <u>5,967,641</u>     | <u>4,331,339</u>    |
| <b>Total Assets</b>                               | <u>\$ 11,017,236</u> | <u>\$ 9,749,246</u> |
| <b>LIABILITIES</b>                                |                      |                     |
| <b>Current</b>                                    |                      |                     |
| Accounts payable and accrued liabilities          | \$ 199,760           | \$ 10,146           |
| <b>Long-term</b>                                  |                      |                     |
| Deferred tax liability                            | <u>189,372</u>       | <u>121,469</u>      |
| <b>Total Liabilities</b>                          | <u>389,132</u>       | <u>131,615</u>      |
| <b>SHAREHOLDERS' EQUITY</b>                       |                      |                     |
| Share capital (Note 4)                            | 8,192,331            | 8,192,331           |
| Reserve                                           | 543,521              | 543,521             |
| Accumulated other comprehensive income (loss)     | 3,014,707            | 1,591,124           |
| Deficit                                           | <u>(1,122,455)</u>   | <u>(709,345)</u>    |
|                                                   | <u>10,628,104</u>    | <u>9,617,631</u>    |
| <b>Total Liabilities and Shareholder's Equity</b> | <u>\$ 11,017,236</u> | <u>\$ 9,749,246</u> |

**Approved and authorized by the Board:**

"Thurman Tat Hong So"

Thurman Tat Hong So, Director

"Dennis Chi-Wai Tam"

Dennis Chi-Wai Tam, Director

The accompanying notes are an integral part of these financial statements.

**MAPLE PEAK INVESTMENTS INC.**  
**CONDENSED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**  
**(UNAUDITED)**  
**EXPRESSED IN CANADIAN DOLLARS**

|                                                                                 | Three months<br>ended January<br>31, 2018 | Three months<br>ended January<br>31, 2017 | Nine months<br>ended January<br>31, 2018 | Nine months<br>ended January<br>31, 2017 |
|---------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|------------------------------------------|------------------------------------------|
| <b>OPERATING EXPENSES</b>                                                       |                                           |                                           |                                          |                                          |
| Accounting and legal fees                                                       | \$ -                                      | \$ 5,775                                  | \$ 37,038                                | \$ 26,309                                |
| Bank charges                                                                    | 310                                       | 60                                        | 956                                      | 275                                      |
| Directors' fee (Note 7)                                                         | 69,000                                    | 69,000                                    | 230,000                                  | 128,355                                  |
| Meals & entertainment                                                           | -                                         | -                                         | 1,885                                    | -                                        |
| Miscellaneous                                                                   | 92                                        | 576                                       | 1,168                                    | 3,615                                    |
| Qualified transaction expenses                                                  | -                                         | -                                         | -                                        | 37,682                                   |
| Transfer agent & filing fees                                                    | 3,164                                     | 3,142                                     | 11,240                                   | 12,562                                   |
| Travel                                                                          | 3,803                                     | -                                         | 3,803                                    | 1,180                                    |
| Wages and salaries                                                              | 165,000                                   | -                                         | 330,000                                  | -                                        |
|                                                                                 | <u>241,369</u>                            | <u>78,553</u>                             | <u>616,090</u>                           | <u>209,978</u>                           |
| <b>OTHER INCOME</b>                                                             |                                           |                                           |                                          |                                          |
| Dividend income (Note 7)                                                        | -                                         | -                                         | 10,532                                   | 9,057                                    |
| Interest income                                                                 | 17,609                                    | 5,673                                     | 47,632                                   | 18,866                                   |
|                                                                                 | <u>17,609</u>                             | <u>5,673</u>                              | <u>58,164</u>                            | <u>27,923</u>                            |
| <b>Net income (loss) before income tax expenses</b>                             | (223,760)                                 | (72,880)                                  | (557,926)                                | (182,055)                                |
| Income tax recovery                                                             | 57,098                                    | -                                         | 144,816                                  | -                                        |
|                                                                                 | <u>57,098</u>                             | <u>-</u>                                  | <u>144,816</u>                           | <u>-</u>                                 |
| <b>Net income (loss) for the period</b>                                         | (166,662)                                 | (72,880)                                  | (413,110)                                | (182,055)                                |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                        |                                           |                                           |                                          |                                          |
| <i>Items that may be reclassify subsequently to profit or loss:</i>             |                                           |                                           |                                          |                                          |
| Unrealized gain (loss) on investments, net of tax (Note 3)                      | 322,556                                   | 319,939                                   | 1,423,583                                | 829,054                                  |
|                                                                                 | <u>322,556</u>                            | <u>319,939</u>                            | <u>1,423,583</u>                         | <u>829,054</u>                           |
| <b>Total comprehensive income (loss) for the period</b>                         | \$ 155,894                                | \$ 247,059                                | \$ 1,010,473                             | \$ 646,999                               |
| <b>Loss per common share - Basic and Diluted</b>                                | \$ (0.00)                                 | \$ (0.00)                                 | \$ (0.01)                                | \$ (0.00)                                |
| <b>Weighted average number of common shares outstanding – Basic and Diluted</b> | 59,000,000                                | 55,300,000                                | 59,000,000                               | 55,144,565                               |

The accompanying notes are an integral part of these financial statements.

**MAPLE PEAK INVESTMENTS INC.**  
**CODENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**  
**EXPRESSED IN CANADIAN DOLLARS**

|                                                                                     | Number of<br>Shares | Share Capital       | Reserve           | Accumulated<br>other<br>comprehensive<br>income | Deficit               | Total                |
|-------------------------------------------------------------------------------------|---------------------|---------------------|-------------------|-------------------------------------------------|-----------------------|----------------------|
| <b>Balance at April 30, 2016</b>                                                    | <b>55,014,000</b>   | <b>\$ 4,850,217</b> | <b>\$ 565,271</b> | <b>\$ -</b>                                     | <b>\$ (570,822)</b>   | <b>\$ 4,844,666</b>  |
| Agent warrants exercised at \$0.10 per share<br>(Note 4)                            | 286,000             | 50,350              | (21,750)          | -                                               | -                     | 28,600               |
| Other comprehensive income for the period                                           | -                   | -                   | -                 | 829,054                                         | -                     | 829,054              |
| Net loss for the period                                                             | -                   | -                   | -                 |                                                 | (182,055)             | (182,055)            |
| <b>Balance at January 31, 2017</b>                                                  | <b>55,300,000</b>   | <b>\$ 4,900,567</b> | <b>\$ 543,521</b> | <b>\$ 829,054</b>                               | <b>\$ (752,877)</b>   | <b>\$ 5,520,265</b>  |
| Shares issued for cash at \$0.90 per share,<br>net of share issuance costs (Note 4) | 3,700,000           | 3,291,764           | -                 | -                                               | -                     | 3,291,764            |
| Other comprehensive income for the period                                           | -                   | -                   | -                 | 762,070                                         | -                     | 762,070              |
| Net income for the period                                                           | -                   | -                   | -                 | -                                               | 43,532                | 43,532               |
| <b>Balance at April 30, 2017</b>                                                    | <b>59,000,000</b>   | <b>\$ 8,192,331</b> | <b>\$ 543,521</b> | <b>\$ 1,591,124</b>                             | <b>\$ (709,345)</b>   | <b>\$ 9,617,631</b>  |
| Other comprehensive income for the period                                           | -                   | -                   | -                 | 1,423,583                                       | -                     | 1,423,583            |
| Net loss for the period                                                             | -                   | -                   | -                 | -                                               | (413,110)             | (413,110)            |
| <b>Balance at January 31, 2018</b>                                                  | <b>59,000,000</b>   | <b>\$ 8,192,331</b> | <b>\$ 543,521</b> | <b>\$ 3,014,707</b>                             | <b>\$ (1,122,455)</b> | <b>\$ 10,628,104</b> |

The accompanying notes are an integral part of these financial statements.

**MAPLE PEAK INVESTMENTS INC.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**EXPRESSED IN CANADIAN DOLLARS**

|                                                              | Nine Months<br>ended<br>January 31,<br>2018 | Nine Months<br>ended<br>January 31,<br>2017 |
|--------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b> |                                             |                                             |
| Net loss for the year                                        | \$ (413,110)                                | \$ (182,055)                                |
| Item not affected by cash:                                   |                                             |                                             |
| Income tax recovery                                          | (144,816)                                   | -                                           |
| Change in non-cash working capital items:                    |                                             |                                             |
| Account payable and accrued liabilities                      | 189,614                                     | (30,763)                                    |
| Other receivables                                            | (1,133)                                     | 1,624                                       |
| Prepaid expenses                                             | 3,850                                       | 5,451                                       |
| Cash flows used in operating activities                      | <u>(365,595)</u>                            | <u>(205,743)</u>                            |
| <b>CASH FLOWS PROVIDE BY (USED IN) INVESTING ACTIVITIES</b>  |                                             |                                             |
| Purchase of investments                                      | -                                           | (2,502,461)                                 |
| Redemption of marketable securities                          | 81,577                                      | -                                           |
| Purchase of marketable securities                            | <u>(146,313)</u>                            | <u>-</u>                                    |
| Cash flows used in investing activities                      | <u>(64,736)</u>                             | <u>(2,502,461)</u>                          |
| <b>CASH FLOWS PROVIDE BY (USED IN) FINANCING ACTIVITIES</b>  |                                             |                                             |
| Agent warrants exercised                                     | <u>-</u>                                    | <u>28,600</u>                               |
| Cash flows provided by financing activities                  | <u>-</u>                                    | <u>28,600</u>                               |
| <b>Increase (decrease) in cash and cash equivalents</b>      | <b>(430,331)</b>                            | <b>(2,679,604)</b>                          |
| <b>Cash and cash equivalents, beginning of period</b>        | <b>5,404,913</b>                            | <b>4,879,077</b>                            |
| <b>Cash and cash equivalents, end of period</b>              | <b>\$ 4,974,582</b>                         | <b>\$ 2,199,473</b>                         |

The accompanying notes are an integral part of these financial statements.

**MAPLE PEAK INVESTMENTS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**January 31, 2018 and 2017

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**1. NATURE OF OPERATIONS**

The Company was incorporated under the Business Corporations Act (British Columbia) on February 7, 2013 under the name Maple Peak Investments Inc. and classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The company's common shares were listed and called for trading on the TSX-V on October 1, 2014.

On July 13, 2016, the Company completed its QT and became a Tier 2 Investment Issuer through the acquisition of such number common shares ("Melco Shares") of Melco International Development Ltd. ("Melco") equal to \$2,377,461 (such acquisition, the "Melco Investment") and such number of common shares ("MelcoLot Shares") of MelcoLot Limited ("MelcoLot") equal to \$125,000 (such acquisition, the "MelcoLot Investment"). The Melco Investment and the MelcoLot Investment (together, the "Transactions") were to collectively constitute the Company's QT. The common shares of the Company commenced trading on the Exchange as a non-"Capital Pool Company" on July 14, 2016 under the trading symbol MAP, and continued in the business of a public gaming focused investment corporation with its primary focus being to seek high returns by making investments in companies involving casinos, gaming and game of chance, leisure and entertainment, and resort projects. The Company adopted a set of investment policy. A key aspect of Maple Peak's investment strategy as an investment issuer will be seeking undervalued companies backed by strong management teams and solid business models that can benefit from vast experience that the Maple Peak's Board has in the casinos and gaming and resort operation business. Pursuant to this investment strategy, Maple Peak identified the Transactions as its initial investments.

The head office of the Company is located at 160 – 6751 Graybar Road, Richmond, British Columbia, B6W 1H3. The registered office of the Company is located at 20<sup>th</sup> floor, 250 Howe Street, Vancouver, British Columbia, V6C 3R8. The Company does not have any subsidiaries.

The condensed interim financial statements of the Company for the nine months period ended January 31, 2018, were authorized for issue in accordance with a resolution of the directors on March 27, 2018.

**2. SIGNIFICANT ACCOUNTING POLICIES****Basis of presentation**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), and as such do not include all of the information required for full annual financial statements.

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

**Significant accounting judgments, estimates and assumptions**Estimates and assumptions

The preparation of the condensed interim financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Significant accounting judgments, estimates and assumptions (cont'd...)**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements is deferred taxes.

#### *Deferred taxes*

The Company recognizes deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and that sufficient taxable income will be generated in the future to recover such deferred tax assets. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of deferred taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize a net deferred tax assets recorded at the statements of financial position date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

### **Cash and cash equivalents**

Cash and cash equivalents include funds in corporate bank accounts with original maturities of 3 months or less.

Cash equivalents as of January 31, 2018 include term deposits in the amount of \$4,974,582 (2017 - \$2,199,473) with interest rate of range from 1.45% to 1.65% (2017: 1.05% to 1.12%) and mature of range from 90 days to 93 days (2017 – 90 days to 92 days).

### **Comprehensive income/loss**

Comprehensive income/loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

### **Loss per share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

### **Financial instruments**

#### *Financial assets*

Financial assets are classified into one of four categories:

- a) Fair value through profit or loss ("FVTPL");
- b) Held-to-Maturity ("HTM");
- c) Loans and receivables; and
- d) Available for sale ("AFS").



## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Financial instruments (cont'd...)**

#### *Financial assets at fair value through profit or loss ("FVTPL")*

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

#### *Held to maturity ("HTM")*

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of loss and comprehensive loss.

#### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

#### *Available for sale ("AFS")*

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income, except for unrealized foreign exchange gains or losses on monetary financial assets and impairment losses which are recognized in the statement of loss and comprehensive loss. Any reversal of a previously recognized impairment loss on a non-monetary asset is recognized directly in other comprehensive income. Realized gains and losses from the derecognition of available-for-sale assets are recognized in the statement of loss and comprehensive loss in the period derecognized with any unrealized gains or losses being recycled from other comprehensive income.

#### *Financial liabilities*

Financial liabilities are classified into one of two categories:

- a) Fair value through profit or loss; and
- b) Other financial liabilities

#### *Fair value through profit or loss*

This category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statements of loss and comprehensive loss.

#### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired (other than a financial asset classified as fair value through profit or loss) when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Financial instruments (cont'd...)**

#### *Impairment of financial assets (cont'd...)*

For all financial assets objective evidence of impairment could include:

- a) significant financial difficulty of the issuer or counterparty; or
- b) default or delinquency in interest or principal payments; or
- c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

### **Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income, respectively. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that in a transaction that is not a business combination and accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### **Standards issued but not yet effective**

The Company has not yet applied the following new standards, interpretations or amendments to standards that have been issued as at January 31, 2018 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations and intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material, unless otherwise stated.

#### *IFRS 9 Financial instruments*

IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the "own credit requirement" in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 with early adoption permitted, and must be applied retrospectively with some exemptions permitted. The Company does not anticipate this amendment to have a significant impact on its financial statements.

## **3. INVESTMENTS**

The Company acquired shares issued by other companies through open market. The shares may be disposed on demand through the open market should the Company require funds for other investment needs. The Company accounts for the investments at fair value at each reporting date.

The investment portfolio is summarized as follows:

|              | Number of<br>Shares | Cost to acquire<br>\$ | Unrealized<br>gain(loss)<br>\$ | Fair value<br>January 31, 2018<br>\$ |
|--------------|---------------------|-----------------------|--------------------------------|--------------------------------------|
| Melco        | 1,566,000           | 2,377,461             | 3,490,223                      | 5,867,684                            |
| MelcoLot     | 3,530,000           | 125,000               | (25,043)                       | 99,957                               |
| <b>Total</b> |                     | <b>2,502,461</b>      | <b>3,465,180</b>               | <b>5,967,641</b>                     |

**MAPLE PEAK INVESTMENTS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

January 31, 2018 and 2017

**4. CAPITAL STOCK**

## a) Authorized share capital:

As at January 31, 2018 and 2017, the authorized share capital of the Company was an unlimited number of common shares without par value.

## b) Issued and outstanding:

On March 10, 2017, the Company issued 3,700,000 common shares at a price of \$0.90 per Share as a private placement for aggregate gross proceeds to the Company of \$3,330,000. The financing cost related to this private placement was \$38,236.

On September 28, 2016, 286,000 Agent's Options were exercised at \$0.10 per share for total proceeds of \$28,600.

As at January 31, 2018, the 20,034,000 (2017 – 33,390,000) common shares are held in escrow. These escrow shares are subject to escrow trading restrictions pursuant to the Escrow agreement and are released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of a Final Exchange Bulletin by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. The Final Exchange Bulletin was issued on July 13, 2016.

## c) Stock option plan:

The Company adopted a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

The continuity of the Company's stock options as at January 31, 2018 is as follows:

|                                                                                      | <b>Number of Options</b> |
|--------------------------------------------------------------------------------------|--------------------------|
| Balance, January 31, 2018, April 30,<br>2017, January 31, 2017 and April 30,<br>2016 | 5,500,000                |

The following Stock Options were outstanding as at January 31, 2018:

| <b>Expiry Date</b> | <b>Exercise Price</b> | <b>Number of Options<br/>Outstanding and Exercisable</b> |
|--------------------|-----------------------|----------------------------------------------------------|
| October 1, 2023    | \$0.10                | 5,500,000                                                |

**MAPLE PEAK INVESTMENTS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

January 31, 2018 and 2017

**4. CAPITAL STOCK (cont'd...)**

## d) Agent warrants

During the nine month period ended January 31, 2018, no Agent's Warrants (2017: 286,000) were excised. Transactions and the number of warrants outstanding are summarized as follows:

|                                                                   | <b>Number of Warrants</b> | <b>Weighted Average<br/>Exercise Price</b> |
|-------------------------------------------------------------------|---------------------------|--------------------------------------------|
| Balance, April 30, 2016                                           | 286,000                   | \$ 0.10                                    |
| Issued                                                            | -                         | -                                          |
| Exercised on September 28, 2016                                   | (286,000)                 | 0.10                                       |
| Balance, January 31, 2017, April 30, 2017<br>and January 31, 2018 | -                         | -                                          |

**5. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at January 31, 2018, the Company's shareholders' equity was \$10,628,104 (2017 – \$5,520,265). The Company's objectives when managing capital is to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The capital for expansion was mostly from proceeds from the issuance of common shares.

**6. FINANCIAL INSTRUMENTS AND RISK**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At January 31, 2018, the Company's financial instruments consist of cash and cash equivalents, marketable securities, other receivables, investments, accounts payable and accrued liabilities. The fair values of cash and cash equivalents, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments. The Company classifies its cash and cash equivalents as FVTPL, marketable securities as held-to-maturity, other receivables as loans and receivables, investments as available for sale, and accounts payable and accrued liabilities as other liabilities. The fair value of cash and cash equivalents, marketable securities and investments are based on level 1 inputs of the fair value hierarchy.

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

## **6. FINANCIAL INSTRUMENTS AND RISK (cont'd...)**

### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's cash and cash equivalents are currently invested in business accounts and term deposits which are available on demand by the Company for its operations.

### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company invested part of the cash balance in term deposits at rate of range from 1.45% to 1.65% and all of marketable securities in commercial papers at rate of range from 1.62% to 2.49% to generate interest income in order to maintain liquidity.

### *Market Risk*

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to fluctuations in the market prices of its marketable securities and investments.

### *Foreign Currency Risk*

The Company has operations in Canada but held investment in two Hong Kong-based publicly-traded companies denominated in Hong Kong dollars. Foreign currency risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies. A 10 % change in the exchange rate would change the Canadian dollar value of these assets by approximately \$596,764. The Company does not use derivative instruments to hedge exposure to foreign currency risk.

### *Concentration Risk*

As at January 31, 2018, all of the Company's portfolio of investments was held in two companies. These investments represents 54% of the Company's total assets and poor performance in the market price of these investment could adversely affect the Company's results.

## **7. RELATED PARTY TRANSACTIONS**

The Melco Investment are considered to be related party transaction since a director and officer of the Company is the Chairman and CEO of Melco.

Before July 10, 2017, the MelcoLot Investment had been considered to be related party transaction because two of the directors and officers of the Company were also executive directors of MelcoLot. In June 2017, Melco disposed its entire interest in MelcoLot and the two common directors and officers of the Company and MelcoLot has resigned from the board of directors of MelcoLot on July 10, 2017. As such, MelcoLot ceased to be a related party of the Company as of July 10, 2017.

**MAPLE PEAK INVESTMENTS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**January 31, 2018 and 2017

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**7. RELATED PARTY TRANSACTIONS (cont'd...)**

During the nine months ended January 31, 2018 and 2017, the Company incurred the following transactions to officers or directors of the Company or companies with common directors:

|                    | Nine months ended January 31, |         |
|--------------------|-------------------------------|---------|
|                    | 2018                          | 2017    |
|                    | \$                            | \$      |
| Director fee       | 230,000                       | 128,355 |
| Wages and salaries | 330,000                       | -       |
| Dividend income    | 10,532                        | 9,057   |
| Total              | 336,532                       | 137,412 |