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Asia Pioneer Entertainment Holdings Limited

亞洲先鋒娛樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8400)

POSSIBLE TERMINATION OF THE DISCLOSEABLE AND MAJOR TRANSACTION IN RELATION TO FINANCE LEASE AGREEMENTS

References are made to (i) the announcement of Asia Pioneer Entertainment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 4 April 2019 in relation to the discloseable transaction and major transaction relating to the Finance Lease Agreements (as defined below) (the “**Announcement**”), (ii) the circular of the Company dated 16 May 2019 in relation to the major transaction relating to Finance Lease Agreement I (as defined below) (the “**Circular**”), and (iii) the announcement of the Company dated 6 April 2020 in relation to the effect of novel coronavirus (COVID-19) epidemic on the Group.

Asia Pioneer Entertainment Limited (“**APE Macau**”), a wholly-owned subsidiary of the Company, had entered into (a) a finance lease agreement with, among others, Siam Star Leisure Co., Ltd (“**Siam Star**”) as the lessee on 4 December 2018 for leasing of certain electronic gaming equipment (“**EGEs**”) for use at a casino in Cambodia (the “**Finance Lease Agreement I**”) which constituted a major transaction of the Company; and (b) a finance lease agreement with GLIMEX INC (“**Glimex**”, together with Siam Star, the “**Lessees**” and each a “**Lessee**”) as lessee on 11 December 2018 for leasing of certain EGEs for use at a casino in the Philippines (the “**Finance Lease Agreement II**”, together with the Finance Lease Agreement I, the “**Finance Lease Agreements**” and each a “**Finance Lease Agreement**”) which constituted a disclosable transaction of the Company. For details of the Finance Lease Agreements, please refer to the Announcement and the Circular.

According to the Finance Lease Agreements, if any of the Lessees fails to make any payment of the lease rent or any amount payable under any of the Finance Lease Agreements when due, the relevant Lessee’s liabilities under the relevant Finance Lease Agreement shall automatically be accelerated and the relevant Finance Lease Agreement shall be terminated without the need for any notice or demand. As at the date of this announcement, Siam Star and Glimex have failed to pay APE Macau lease rental of

approximately HK\$17 million and HK\$9 million respectively under the Finance Lease Agreements. The Finance Lease Agreements were terminated on 21 May 2020 in accordance with the terms of the Finance Lease Agreements.

The Group is expected to write off an aggregate of approximately HK\$26 million finance lease receivables from its accounts for the six months ending 30 June 2020. Upon termination of the Finance Lease Agreements, APE Macau has exercised its rights to demand the return of the EGEs leased to the Lessees under the Finance Lease Agreements. The Company intends to identify new lessees for the EGEs in Macau or other South East Asian countries.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of
Asia Pioneer Entertainment Holdings Limited
HUIE, Allen Tat Yan
Chairman and executive Director

Hong Kong, 21 May 2020

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

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

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