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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)

PROFIT WARNING

This announcement is made by Asia Pioneer Entertainment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the “**Current Period**”) and the information currently available to the Board, the Group expects to record (i) a decline in revenue by approximately 46% from approximately HK\$21.9 million for the six months ended 30 June 2019 (the “**Corresponding Period**”) to approximately HK\$11.8 million for the Current Period; and (ii) an increase in loss by approximately 429% from approximately HK\$5.5 million for the Corresponding Period to approximately HK\$29 million for the Current Period.

The Board considered that the decline in revenue and increase in loss were mainly attributable to the outbreak of the novel coronavirus (“**COVID-19**”) pandemic during the Current Period. The operations of casinos in Macau and South East Asia have been adversely affected by the outbreak of COVID-19 pandemic leading to a weaker demand for technical sales and distribution of electronic gaming equipment (the “**EGEs**”) of the Group. Some of the orders of the EGEs received by the Group were delayed or cancelled. In addition, as disclosed in the announcement of the Company dated 21 May 2020, the Group terminated two finance lease agreements on 21 May 2020. As a result of such termination, the Company has to record a one-time write-off of finance lease receivables of approximately HK\$22.8 million in the Group’s profit and loss statement for the Current Period. For details of the termination of the finance lease agreements, please refer to the announcements of the Company dated 6 April 2020 and 21 May 2020, respectively.

As the Company is still in the course of finalising its consolidated results for the Current Period, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited consolidated management accounts of the Group for the Current Period, which have not been reviewed or audited by the Company's independent auditors or the audit committee of the Board. Shareholders and potential investors are advised to read the Company's announcement about the Group's results for the Current Period, which is expected to be published on or before 13 August 2020 as required by the GEM Listing Rules.

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

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

Hong Kong, 5 August 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 (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 (www.apemacau.com).