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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)**

### **DISCLOSEABLE TRANSACTION AND MAJOR TRANSACTION — FINANCE LEASE AGREEMENTS**

#### **FINANCE LEASE AGREEMENTS**

On 4 December 2018, APE Macau, a wholly-owned subsidiary of the Company, entered into the Finance Lease Agreement I, pursuant to which, among other things, APE Macau agreed to lease the Leased Equipment I to Siam Star, at a daily lease rent of USD35 per Leased Equipment I for a term of five years. The aggregate lease payment for the entire term of the Finance Lease Agreement I is USD3,193,750 (equivalent to approximately HK\$24,911,250).

On 11 December 2018, APE Macau entered into the Finance Lease Agreement II, pursuant to which, among other things, APE Macau agreed to lease the Leased Equipment II to Glimex, at a daily lease rent of USD35 per Leased Equipment II for a term of five years. The aggregate lease payment for the entire term of the Finance Lease Agreement II is USD1,533,000 (equivalent to approximately HK\$11,957,400).

#### **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the highest applicable Percentage Ratio in respect of the Finance Lease Agreement I is more than 25% but less than 75%, the transactions contemplated thereunder constitute a major transaction of the Company and are, therefore, subject to reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Director's knowledge, information and belief, after having made all reasonable enquiries, no Shareholder would be required to abstain from voting on the transactions concerning the Finance Lease Agreement I if a general meeting was to be convened by the Company for the approval of the Finance Lease Agreement I. APE HAT, a controlling shareholder of the Company which is beneficially interested in 725,100,000 Shares, representing approximately 72.51% of the issued share capital of the Company as at the date of the Finance Lease Agreement I and the date of this announcement, has approved the transactions contemplated under the Finance Lease Agreement I by a written shareholder's approval pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Therefore, no general meeting will be convened for the purpose of approving the Finance Lease Agreement I and the transactions contemplated thereunder as permitted under Rule 19.44 of the GEM Listing Rules.

A circular containing, among other things, further details of the Finance Lease Agreement I is expected to be dispatched to the Shareholders on or before 8 May 2019 as more time is required to prepare such circular.

As the highest applicable Percentage Ratio in respect of the Finance Lease Agreement II is more than 5% but less than 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company and are subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

## **FINANCE LEASE AGREEMENTS**

### **(1) The Finance Lease Agreement I**

The principal terms of the Finance Lease Agreement I are summarised as follows:

|                 |  |
|-----------------|--|
| Date:           | 4 December 2018  |
| Parties:        | Lessor: APE Macau  |
|                 | Lessee: Siam Star  |
|                 | Lessee guarantor: Jumbo Technology   |
| Subject matter: | APE Macau agreed to lease the Leased Equipment I to Siam Star and Siam Star agreed to take the Leased Equipment I on lease, upon and subject to the terms and conditions of the Finance Lease Agreement I. |
| Lease period:   | The period from the date of the Finance Lease Agreement I to the fifth anniversary from the date of the Finance Lease Agreement I (both dates inclusive).  |

Lease payment: Pursuant to the Finance Lease Agreement I, Siam Star agreed to pay APE Macau the lease rent in respect of each Leased Equipment I for a daily lease rent of USD35 per Leased Equipment I.

Siam Star shall pay to APE Macau the lease rent in monthly instalments calculated by multiplying the daily fee for each Leased Equipment I times the number of calendar days in a month. Siam Star shall make payment of the monthly instalments on a quarterly basis.

Ownership of the Leased Equipment I: APE Macau is the owner of the Leased Equipment I during the lease period.

Provided that the Finance Lease Agreement I has not been terminated pursuant to the terms and conditions thereof, the legal title to the Leased Equipment I shall be automatically transferred to Siam Star on the fifth anniversary from the date of the Finance Lease Agreement I.

Guarantee: The obligations of Siam Star under the Finance Lease Agreement I shall be guaranteed by Jumbo Technology. In the event that Siam Star defaults in payment of any sum under the Finance Lease Agreement I, Jumbo Technology will forthwith on demand by APE Macau pay such sum to Siam Star.

The value of the Leased Equipment I, being the aggregate rental income for the entire term of the Finance Lease Agreement I, is USD3,193,750 (equivalent to approximately HK\$24,911,250). The terms of the Finance Lease Agreement I, including the amount of daily lease rent, were determined after arm's length negotiations between APE Macau and Siam Star.

## **(2) The Finance Lease Agreement II**

The principal terms of the Finance Lease Agreement II are summarised as follows:

Date: 11 December 2018

Parties: Lessor: APE Macau

Lessee: Glimex

Subject matter: APE Macau agreed to lease the Leased Equipment II to Glimex and Glimex agreed to take the Leased Equipment II on lease, upon and subject to the terms and conditions of the Finance Lease Agreement II.

|                                       |   |
|---------------------------------------|---|
| Lease period:                         | The period from the date of the Finance Lease Agreement II to the fifth anniversary from the date of the Finance Lease Agreement II (both dates inclusive).   |
| Lease payment:                        | <p>Pursuant to the Finance Lease Agreement II, Glimex agreed to pay APE Macau the lease rent in respect of each Leased Equipment II for a daily lease rent of USD35 per Leased Equipment II.</p> <p>Glimex shall pay to APE Macau the lease rent in monthly instalments calculated by multiplying the daily fee for each Leased Equipment II times the number of calendar days in a month. Glimex shall make payment of the monthly instalments on a quarterly basis.</p> |
| Ownership of the Leased Equipment II: | <p>APE Macau is the owner of the Leased Equipment II during the lease period.</p> <p>Provided that the Finance Lease Agreement II has not been terminated pursuant to the terms and conditions thereof, the legal title to the Leased Equipment II shall be automatically transferred to Glimex on the fifth anniversary from the date of the Finance Lease Agreement II.</p>   |

The value of the Leased Equipment II, being the aggregate rental income for the entire term of the Finance Lease Agreement II, is USD1,533,000 (equivalent to approximately HK\$11,957,400). The terms of the Finance Lease Agreement II, including the amount of daily lease rent, were determined after arm's length negotiations between APE Macau and Glimex.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is a total solutions provider of EGEs for land based casinos in Macau as well as other regions in Asia. EGE principally includes electronic table games and electronic gaming machines. The Group's business can be segmented into: (i) technical sales and distribution of EGEs to land based casinos; (ii) the repair of EGEs and sale of spare parts; (iii) consultancy to suppliers or manufacturers of EGE products to the casino gaming supplier market; (iv) sales of refurbished electronic gaming machines; and (v) the lease sales of EGEs.

The business of the Group is conducted through APE Macau, its wholly-owned subsidiary. APE Macau is the operating company of the Group, which operates the core businesses of the Group out of Macau.

## **The Lessees**

### ***(1) The lessee in the Finance Lease Agreement I***

Siam Star is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the business of casino slot machines operations.

### ***(2) The lessee in the Finance Lease Agreement II***

Glimex is a company duly organised and existing under and by virtue of the laws of the Republic of the Philippines and is principally engaged in the business of distribution of products in the power, energy and gaming sectors.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, (i) each of Siam Star and Glimex (and their respective ultimate beneficial owners) is an Independent Third Party; and (ii) Siam Star and Glimex are not connected or otherwise associated with one another.

## **Jumbo Technology**

Jumbo Technology is a company incorporated in the Republic of China and is principally engaged in the business of provision of gaming equipment. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, each of Jumbo Technology and its ultimate beneficial owner(s) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENTS**

As disclosed in the Prospectus, the Group will capture further business opportunities by leasing EGEs to its customers in Macau. The Finance Lease Agreements were entered into in the ordinary and usual course of business of the Group on normal commercial terms, which will be beneficial for the Company to generate revenue and profit to the Group and is consistent with the Company's business strategy and the use of proceeds plan as disclosed in the Prospectus.

The Directors believe that the terms of each of the Finance Lease Agreements and the transactions contemplated thereunder are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the highest applicable Percentage Ratio in respect of the Finance Lease Agreement I is more than 25% but less than 75%, the transactions contemplated thereunder constitute a major transaction of the Company and are therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the highest applicable Percentage Ratio in respect of the Finance Lease Agreement II is more than 5% but less than 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company and are subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

## GENERAL INFORMATION

To the best of the Director's knowledge, information and belief, after having made all reasonable enquiries, no Shareholder would be required to abstain from voting on the transactions concerning the Finance Lease Agreement I if a general meeting was to be convened by the Company for the approval of the Finance Lease Agreement I. APE HAT, a controlling shareholder of the Company which is beneficially interested in 725,100,000 Shares, representing approximately 72.51% of the issued share capital of the Company as at the date of the Finance Lease Agreement I and the date of this announcement, has approved the transactions contemplated under the Finance Lease Agreement I by a written shareholder's approval pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Therefore, no general meeting will be convened for the purpose of approving the Finance Lease Agreement I and the transactions contemplated thereunder as permitted under Rule 19.44 of the GEM Listing Rules.

A circular containing, among other things, further details of the Finance Lease Agreement I is expected to be dispatched to the Shareholders on or before 8 May 2019 as more time is required to prepare such circular.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

|                             |   |
|-----------------------------|---|
| “APE HAT”                   | APE HAT Holdings Limited, a company incorporated in the British Virgin Islands with limited liability   |
| “APE Macau”                 | Asia Pioneer Entertainment Limited, a company incorporated in Macau with limited liability  |
| “Board”                     | the board of Directors  |
| “Company”                   | Asia Pioneer Entertainment Holdings Limited (亞洲先鋒娛樂控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8400) |
| “Director(s)”               | the director(s) of the Company  |
| “EGE(s)”                    | electronic gaming equipment   |
| “Finance Lease Agreement I” | the finance lease agreement entered into between APE Macau, Siam Star and Jumbo Technology dated 4 December 2018 in relation to the financial leasing arrangement over the Leased Equipment I                             |

|                                |  |
|--------------------------------|--|
| “Finance Lease Agreement II”   | the finance lease agreement entered into between APE Macau and Glimex dated 11 December 2018 in relation to the financial leasing arrangement over the Leased Equipment II |
| “Finance Lease Agreements”     | collectively, Finance Lease Agreement I and Finance Lease Agreement II   |
| “GEM”                          | GEM operated by the Stock Exchange   |
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM of the Stock Exchange   |
| “Glimex”                       | GLIMEX INC., a corporation duly organised and existing under and by virtue of the laws of the Republic of the Philippines  |
| “Group”                        | the Company and its subsidiaries   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Independent Third Party(ies)” | party(ies) who is/are independent of the Company and its connected person(s)   |
| “Jumbo Technology”             | Jumbo Technology Co., Ltd, a company incorporated in the Republic of China   |
| “Leased Equipment I”           | certain EGEs for use at Galaxy Plaza Casino at Poipet, the Kingdom of Cambodia   |
| “Leased Equipment II”          | certain EGEs for use at Palace Casino at Jpark Island Resort in the Republic of the Philippines  |
| “Percentage Ratio(s)”          | the percentage ratio(s) to be applied for determining the classification of notifiable transactions as set out in Rule 19.07 of the GEM Listing Rules                      |
| “Prospectus”                   | the prospectus of the Company dated 31 October 2017  |
| “Macau”                        | the Macau Special Administrative Region of the People’s Republic of China  |
| “Siam Star”                    | Siam Star Leisure Co., Ltd, a company incorporated in the British Virgin Islands with limited liability  |
| “Shareholder(s)”               | shareholder(s) of the Company  |
| “Share(s)”                     | ordinary shares of the Company   |



|                  |  |
|------------------|--|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited                                    |
| “USD”            | United States dollars, the lawful currency of the United States of America |
| “%”              | per cent   |

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

Hong Kong, 4 April 2019

*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](http://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](http://www.apemacau.com)).*

*For the purpose of this announcement, translations of USD into HK\$ or vice versa have been calculated by using an exchange rate of USD1.00 equal to HK\$7.80. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts was or may have been exchanged at this or any other rates or at all.*