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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 the directors of the Company (the “**Directors**” and the “**Board**”, respectively) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Current Period**”) and the information currently available to the Board, the Group expects to record (i) a decline in the Group’s revenue by approximately 74.6% from approximately HK\$11.8 million for the six months ended 30 June 2020 (the “**Corresponding Period**”) to approximately HK\$3.0 million for the Current Period; and (ii) a loss before income tax of approximately HK\$9.4 million for the Current Period (Loss before income tax for the Corresponding Period was approximately HK\$29.0 million, including a one-time impairment loss of finance lease receivables of approximately HK\$22.8 million).

The Board considered that the economic and financial impact of the prolonged novel coronavirus disease 2019 (“**COVID-19**”) pandemic on Macau’s gaming industry has adversely affected the revenues of the Group over the Current Period. The decline in revenue and loss before income tax were mainly attributable to (i) the economic and financial impact of COVID-19 pandemic which has been ongoing for approximately 18 months and (ii) the absence of the impairment loss of finance lease receivables for the Current Period, respectively.

It is expected that revenues from the Group's main business units, technical sales and distribution of EGE products, consulting and technical services and repair services, for the Current Period would decrease by approximately 79.6%, 40.7% and 79.9%, respectively, as compared to those for the Corresponding Period.

The Board affirms the belief that COVID-19 will reside with the onset of global vaccination programs and that the economic and financial recovery of the gaming industry will allow our customers to revert back to normal purchase level.

As the Company is still in the course of finalising its results for the Current Period, the information contained in this announcement is only based on the Board's preliminary assessment of information currently available to the Board and the unaudited consolidated management accounts of the Group for the Current Period, which have not been reviewed by the audit committee of the Board or audited by the Company's independent auditor. Shareholders and potential investors are advised to read the Company's results announcement about the Group's results for the Current Period, which is expected to be published on or before 13 August 2021.

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

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

Hong Kong, 27 July 2021

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.