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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 year ended 31 December 2021 (the “**Year**”) and the information currently available to the Board, the Group expects to record (i) a significant decline in the revenue by approximately 81.1% from approximately HK\$40.5 million for the year ended 31 December 2020 (the “**Previous Year**”) to approximately HK\$7.6 million for the Year; (ii) a decrease in gross margin from approximately 31.0% for the Previous Year to approximately 11.1% for the Year; and (iii) further write-down of inventories to net realisable value of approximately HK\$3.3 million for the Year mainly arising from the termination of leased assets to casino operators in Philippines and Cambodia in May 2020.

The Board considered that the decline in revenue was mainly attributable to the ongoing pandemic outbreak of the novel coronavirus disease 2019 (“**COVID-19**”), the COVID-19 epidemic continues to be ongoing for more than three years now which continues to affect adversely the operations of our customers, the land-based casinos. For the Year, the electronic gaming equipment (“**EGE**”) business generated a total revenue of approximately HK\$7.5 million. Revenues for technical sales and distribution of EGE recorded a decrease

of approximately 86.4% for the Year over the Previous Year, a decrease of approximately 27.2% in its consultancy and technical services segment and a decrease of approximately 38.4% in its repairs services segment for the Year. The new smart vending machines business of the Group generated a revenue of approximately HK\$0.15 million.

As the Company is still in the course of finalising its results for the Year, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the information currently available to the Board and the unaudited consolidated management accounts of the Group for the Year, which have not been reviewed or audited by the Company's independent auditors or reviewed by the audit committee of the Board. Shareholders and potential investors are advised to read the Company's results announcement for the Year, which is expected to be published on 25 March 2022 as required by the GEM Listing Rules.

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, 18 March 2022

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).