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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 —
ACQUISITION OF RIGHT-OF-USE ASSETS
LEASE RENEWAL OF OFFICE**

THE LEASE RENEWAL

The Board announces that on 27 November 2023 the Tenant, an indirect wholly-owned subsidiary of the Company, entered into the Lease Renewal with the Landlord, an Independent Third Party, in respect of the Premises for a term commencing on 1 January 2024 and ending on 31 December 2026 (both days inclusive). Pursuant to IFRS 16, the tenancy of the Premises is recognised as a right-of-use asset for an amount of approximately HK\$3.5 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Renewal.

IMPLICATIONS UNDER THE GEM LISTING RULES

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Lease Renewal is more than 5% but less than 25%, the Lease Renewal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

BACKGROUND

The Board announces that on 27 November 2023, the Tenant, an indirect wholly-owned subsidiary of the Company, entered into the Lease Renewal with the Landlord, an Independent Third Party, in respect of the Premises for a term commencing on 1 January 2024 and ending on 31 December 2026 (both days inclusive).

THE LEASE RENEWAL

Details of the principal terms of the Lease Renewal are set out below:

Date	:	27 November 2023
Parties	:	(i) the Landlord (ii) the Tenant
Premises	:	Industrial Lee Cheung F10, Estrada Marginal do Hipódromo N°S 56–66, Em Macau
Term	:	term commencing on 01 January 2024 and ending on 31 December 2026 (both days inclusive)
Total aggregated value of consideration payment	:	HK\$3,532,958 in aggregate (exclusive of service charges, Government rent, rates and management fee)
Rental payment	:	The monthly rent payment is HK\$108,000 exclusive of service charges, government rent, rates and Tenant's outgoing. The Tenant shall be responsible for Government rent, rates and management fee during the term. The rent under the Lease Renewal was determined after arm's length negotiations between the Landlord and the Tenant, taking into consideration of the prevailing market price of comparable premises in the vicinity of the Premises.
Rental deposit	:	a rental deposit of HK\$216,000 being equivalent to two months rental

The payment of the monthly rent and the rental deposit will be funded by the internal resources of the Group.

RIGHT-OF-USE ASSETS

Pursuant to IFRS 16, the tenancy of the Premises is recognised as a right-of-use asset for an amount of approximately HK\$3.5 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Renewal at the discount rate of 6.125%.

INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company. The Group is principally engaged in the provision of Electronic Gaming Equipment sales, consulting and repairs of gaming equipment and operating of smart vending machines.

The Tenant

The Tenant is Asia Pioneer Entertainment Limited, a company incorporated under the laws of Macau SAR with limited liability and is an indirect wholly-owned subsidiary of the Company. The Tenant is principally engaged in the electronic gaming equipment sales, consulting and repairs of gaming equipment.

The Landlord

The Landlord are private individuals and residents of Macau SAR. The Landlord are Independent Third Parties and not connected to the Company, its Directors or Shareholders.

REASONS FOR AND BENEFITS OF THE LEASE RENEWAL

The Group has been leasing the Premises as its headquarters and principal place of business since 2017 pursuant to the previous lease agreement which was due to expiration. In evaluating the options of renewal of the existing tenancy or leasing a new office, the Directors consider that the Premises are located in the industrial zone in Macau SAR which is easily accessible by various transportation and staying would have saved the renovation cost and the expenditure on relocation. As such, the Directors are of the opinion that the Lease Renewal is in favour of the Group's future development.

The terms of the Lease Renewal were determined after arm's length negotiations between the parties and with reference to the prevailing market price of comparable premises in the vicinity of the Premises. The entering into of the Lease Renewal is necessary for continuing the business operation of the Group and is in the ordinary and usual course of business of

the Group. Therefore, the Board considers that the terms of the Lease Renewal are on normal commercial terms and fair and reasonable and the entering into of the Lease Renewal is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Lease Renewal is more than 5% but less than 25%, the Lease Renewal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

REMEDIAL ACTIONS

Due to an inadvertent oversight, the Company did not announce the Lease Renewal as a discloseable transaction under GEM Listing Rules and make timely announcement pursuant to Chapter 19 of the GEM Listing Rules. Thus, there has been an inadvertent breach by the Company of Chapter 19 of the GEM Listing Rules.

The Company regrets its non-compliance with the relevant discloseable transaction requirements under Chapter 19 of the GEM Listing Rules. This was due to management administrative oversight and would like to stress that such non-compliance was inadvertent.

Hence, the Company now issues this announcement disclosing details of the transactions contemplated under the “acquisition of right-of-use assets lease renewal of office” to re-comply with the announcement requirement under the GEM Listing Rules.

Furthermore, the following remedial actions will be taken by the Company to ensure better compliance by the Company with the GEM Listing Rules in the future:

1. The Company will organize regular trainings to its employees, Directors and senior management to promote their familiarity with the GEM Listing Rules, as well as raise their awareness towards compliance with the internal control.
2. The Company will review management control processes for adequacy of internal control measures of the Group.
3. The Company will appoint Mr Chi Lun Chan, an executive Director and Ms. Lou Sut Mui, the financial controller of the Company to further monitor transactions, including its compliance with relevant GEM Listing Rules and to review the ongoing compliance.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Company”	Asia Pioneer Entertainment Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“IFRS”	International Financial Reporting Standards
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“Landlord”	Leong Sou Fan and Yeong Woo Yuk Ying are private individuals and residents of Macau SAR
“Lease Renewal”	a lease renewal agreement entered into between the Landlord and the Tenant on 27 November 2023 in relation to the lease of the Premises
“Premises”	Industrial Lee Cheung F10, Estrada Marginal do Hipódromo N°S 56–66, Em Macau
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Macau SAR” the Macau Special Administrative Region of the PRC

“Tenant” Asia Pioneer Entertainment Limited, a Company incorporated in Macau SAR is an indirect wholly-owned subsidiary of the Company

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

On Behalf of
Asia Pioneer Entertainment Holdings Limited
HUIE, Allen Tat Yan
Chairman and Executive Director

Hong Kong, 7 May 2024

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 Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 website of the Stock Exchange at www.hkexnews.hk 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.