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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of Century Entertainment International Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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世紀娛樂國際控股有限公司

CENTURY ENTERTAINMENT INTERNATIONAL HOLDINGS LIMITED  
(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

**CONNECTED TRANSACTION IN RELATION TO  
SUBSCRIPTION OF CONVERTIBLE BOND UNDER SPECIFIC  
MANDATE FOR DEBT CAPITALISATION  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**Financial Adviser to the Company**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
溢博資本有限公司

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**

 裕翰資本有限公司  
Euto Capital Partners Limited

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Capitalised terms used in this cover page shall have the same meaning as defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 5 to 19 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 20 and 21 of this circular. A letter from the Independent Financial Adviser containing its recommendation and advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 47 of this circular.

A notice convening the SGM of the Company to be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong, on Friday, 8 December 2023, at 11:00 a.m. or any adjournment thereof is set out on pages 54 to 55 of this circular. A form of proxy for the SGM is enclosed herein. Whether or not you are able to attend at the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

21 November 2023

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:*

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associates”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, any public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“close associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Company”	Century Entertainment International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 959)
“Completion”	the completion of the Subscription in accordance with the Subscription Agreement
“Completion Date”	the date on which Completion takes place which shall be within one Business Day after satisfaction (or waiver) of Conditions Precedent
“Conditions Precedent”	the conditions precedent set out in the paragraph headed “Conditions Precedent” in the “Letter from the Board” in this circular
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules

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## DEFINITIONS

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“Conversion Price”	the conversion price of HK\$0.256 per Conversion Share (subject to adjustment as set out in the Convertible Bond instrument, from time to time, if any)
“Conversion Right(s)”	the right(s) attaching to the Convertible Bond to convert in whole or in part (in an integral multiple of HK\$1,000,000) the respective outstanding principal amounts into the Conversion Share(s)
“Conversion Share(s)”	the Share(s) to be issued by the Company as a result of the exercise of the Conversion Rights attaching to the Convertible Bond
“Convertible Bond”	the convertible bond in the principal amount of HK\$32,000,000 to be issued by the Company to the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Deed of Settlement”	the deed of settlement to be entered into between the Company and Mr. Ng prior to Completion, which confirms the part of the Indebted Amount to be settled with the consideration of the Convertible Bond
“Director(s)”	the director(s) of the Company
“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 PRC
“Indebted Amount”	the amount owing by the Company to the Subscriber in the total amount of HK\$58,720,000
“Independent Board Committee”	an independent board committee, comprising the three independent non-executive Directors, namely Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia, formed for the purpose of advising and giving recommendation to the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder

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## DEFINITIONS

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“Independent Financial Adviser” or “Euto Capital”	Euto Capital Partners Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Mr. Ng and his respective associates who are required by the Listing Rules to abstain from voting on the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder
“Latest Practicable Date”	13 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ng” or “Subscriber”	Mr. Ng Man Sun, an executive director, the chairman of the Board, the chief executive officer of the Company and a substantial Shareholder
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

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## DEFINITIONS

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“Specific Mandate”	the specific mandate to be granted to the Directors at the SGM for the allotment and issue of the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bond
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Convertible Bond by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 16 October 2023 entered into between the Company and the Subscriber in relation to the, among others, the Subscription
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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## LETTER FROM THE BOARD

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世紀娛樂國際控股有限公司

CENTURY ENTERTAINMENT INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 959)**

*Executive Director:*

Mr. Ng Man Sun (*Chairman and  
Chief Executive Officer*)

Ms. Ng Wai Yee

*Independent non-executive Directors:*

Ms. Yeung Pui Han, Regina

Mr. Li Chi Fai

Ms. Sie Nien Che, Celia

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*

G02, Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

21 November 2023

*To the Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO  
SUBSCRIPTION OF CONVERTIBLE BOND UNDER SPECIFIC  
MANDATE FOR DEBT CAPITALISATION  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 16 October 2023 in relation to the Subscription.

The purpose of this circular is to provide you with, among other things, (i) further information on the Subscription Agreement and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription; and (iv) a notice of the SGM.

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## LETTER FROM THE BOARD

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### SUBSCRIPTION OF THE CONVERTIBLE BOND

On 16 October 2023 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to issue the Convertible Bond in the principal amount of HK\$32,000,000.

The subscription amount payable by the Subscriber under the Subscription Agreement shall be satisfied by discharging part of the payment obligation of the Company on the Indebted Amount. Details of the Subscription Agreement are set out below:

### SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out as follows:

#### **Date**

16 October 2023

#### **Parties**

- (i) The Company (as issuer); and
- (ii) Mr. Ng (as subscriber).

As at the Latest Practicable Date, Mr. Ng, the Subscriber, who is an executive Director, the chairman of the Board and chief executive officer of the Company, and his wholly-owned company, namely East Legend Holdings Limited, together held an aggregate of 35,872,196 Shares, representing approximately 27.97% of the issued share capital of the Company. Accordingly, the Subscriber is a substantial Shareholder and a connected person of the Company under Chapter 14A of the Listing Rules.

#### **Subject matter**

As at the Latest Practicable Date, the Subscriber has provided a loan to the Company in the Indebted Amount of HK\$58,720,000 which is interest free, unsecured and repayable on demand. To partially capitalise the Indebted Amount, the Subscriber have conditionally agreed to subscribe and the Company has conditionally agreed to allot and issue the Convertible Bond in the principal amount of HK\$32,000,000 pursuant to the Subscription Agreement. The subscription amount payable by the Subscriber under the Subscription Agreement shall be satisfied by releasing the payment obligation of the Company against part of the Indebted Amount.



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## LETTER FROM THE BOARD

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### Conditions precedent

Completion is conditional upon, among other things, the fulfilment of the following conditions:

- (i) the entering into of the Deed of Settlement;
- (ii) the written confirmation letter provided by the Company to the Subscriber, confirming the representations, warranties and undertaking given by the Company in the Subscription Agreement remaining true, correct and not misleading in all material respects as at the Completion Date;
- (iii) the certified true copy or original of the executed Convertible Bond instrument, the certificate of the Convertible Bond, the certified true copy of the updated register of bondholders and other relevant documents were delivered to the Subscriber by the Company;
- (iv) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares to be issued upon exercise of the Conversion Rights pursuant to the Convertible Bond and such grant remaining in full force and effect;
- (v) all necessary consents, approvals (or waivers), authorisation, permission or exemption from any third parties, including but not limited to government or regulatory authorities, having been obtained by the Company in connection with the Subscription and the issue of the Convertible Bond and the Conversion Shares upon exercise of the Conversion Rights and such consents, approvals (or waivers), authorisation, permission or exemption remaining in full force and effect;
- (vi) the compliance by the Company with all legal and other requirements under the Listing Rules and the laws of Bermuda applicable to the transactions contemplated under the Subscription Agreement; and
- (vii) the passing of the requisite respective resolutions by the Board and the Shareholders at the SGM (other than those persons who are precluded from voting under the Listing Rules) approving, inter alia, the transactions contemplated under the Subscription Agreement (including but not limited to the issue of the Convertible Bond and the allotment and issue of Conversion Shares upon exercise of the respective Conversion Rights).

All conditions above are non-waivable except condition (ii) above is waivable at the discretion of the Subscriber.

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## LETTER FROM THE BOARD

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In the event that the conditions of the Subscription are not fulfilled by 5:00 p.m. on or before 31 December 2023 or such other time and date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any claim against the other save for any antecedent breaches of the terms thereof.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

### **Completion**

Completion of the Subscription Agreement shall take place on the Completion Date (or such other date as may be agreed between the respective parties).

### **PRINCIPAL TERMS OF THE CONVERTIBLE BOND**

<b>Principal amount</b>	HK\$32,000,000.
<b>Maturity</b>	36 months from the date of issue of the Convertible Bond.
<b>Interest rate</b>	the Convertible Bond will be interest free.
<b>Denomination for conversion</b>	With a minimum aggregate amount of HK\$1,000,000 and authorised denominations(s) integral multiples thereof save that if at any time the aggregate outstanding principal amount held by a holder of the Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be converted.
<b>Conversion rights</b>	A holder of the Convertible Bond shall have the right to convert in whole or in part (in an integral multiple of HK\$1,000,000) of the Convertible Bond into Conversion Shares at the Conversion Price (subject to adjustments) on any Business Day from the date of issue of the Convertible Bond and up to the maturity date of the Convertible Bond, subject to the restrictions on the exercise of the Conversion Rights as set out below.

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## LETTER FROM THE BOARD

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### Conversion price

Initially, HK\$0.256 per Share, subject to adjustments.

The Conversion Price shall be adjusted as provided in the Convertible Bond instrument in each of the following cases:

- (i) an alteration of the number of the Shares by reason of any consolidation or subdivision. The Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund). The Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation.
- (iii) a capital distribution (as defined in the Convertible Bond instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such, or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries. The Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date next preceding the date of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank, of the portion of the capital distribution or of such rights which is attributable to one Share,

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## LETTER FROM THE BOARD

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Provided that:

- (aa) if in the opinion of the relevant approved merchant bank, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and
- (bb) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.
- (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares, at a price which is less than eighty per cent (80%) of the market price at the date of the announcement of the terms of the offer or grant. The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Issuer Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant), provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder of the Convertible Bonds (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the conversion rights under the Convertible Bond in full on the day immediately preceding the record date for such offer or grant.

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## LETTER FROM THE BOARD

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- (v) an issue being made by the Company wholly for cash of any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share (as defined in the Convertible Bond instrument) initially receivable for such securities is less than 80% of the market price at the date of the announcement of the terms of issue of such securities. The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total effective consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in the above are modified so that the total effective consideration per Share initially receivable for such securities shall be less than 80% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

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## LETTER FROM THE BOARD

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- (vi) an issue being made by the Company of Shares wholly for cash a price which is less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued; and
- (vii) an issue being made by the Company of Shares for the acquisition of asset at a total effective consideration per Share (as defined in the Convertible Bond instrument) less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the total effective consideration per Share and the denominator shall be such market price.

### **Transferability**

No assignment or transfer (whether in whole or in part(s)) may be made to connected person of the Company, and the principal amount to be transferred or assigned must be at least HK\$1 million or integral multiples of HK\$1 million.

### **Listing**

No application will be made for the listing of the Convertible Bond on the Stock Exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights.

### **Ranking**

The Conversion Shares to be issued upon the exercise of the Conversion Rights will be credited as fully paid and will rank *pari passu* in all respects among themselves and with other existing Shares outstanding at the date of issue of the Conversion Shares and be entitled to all dividends and other distributions the record date for which falls on a date on or after the date of their issue.

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## LETTER FROM THE BOARD

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<b>Voting</b>	<p>A holder of the Convertible Bond will not be entitled to receive notices of, attend or vote at any Shareholders' meetings of the Company by reason only of it being a holder of the Convertible Bond.</p>
<b>Redemption and repurchase</b>	<p>The Company shall redeem at 100% of the outstanding principal amount of the Convertible Bond (as the case may be) on the maturity date.</p> <p>The Company shall have the right to redeem in whole or any part(s) of the principal amount of the Convertible Bond, with an aggregate amount of HK\$1,000,000 and authorised denominations(s) integral multiples thereof (if at any time the aggregate outstanding principal amount held by a holder of the Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be redeemed), at any time on any business day prior to the maturity date by giving prior notice of not less than thirty (30) days in writing to the holder of the Convertible Bond. The Convertible Bond(s) or any part thereof so redeemed shall forthwith be cancelled by the Company.</p>
<b>Status</b>	<p>The obligations of the Company arising under the Convertible Bond constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable laws.</p>
<b>Restriction on the exercise of the Conversion Rights</b>	<p>The holder(s) of the Convertible Bond agree(s) and undertake(s) to the Company that it shall not exercise any of the Conversion Rights if (i) the holder(s) of the Convertible Bond and parties acting in concert with it/them will directly or indirectly control or be interested in 30% or more of the then issued share capital of the Company as enlarged by such conversion, or such percentage of voting rights of the Company which the holder(s) would be obliged to make a general offer under the Takeovers Code; or (ii) the Company will be unable to meet the public float requirements under the Listing Rules.</p>

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## LETTER FROM THE BOARD

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Assuming full conversion of the principal amount of the Convertible Bond of HK\$32,000,000 at the Conversion Price, a total of maximum 125,000,000 Shares with aggregate nominal value of HK\$1,250,000 will be issued, representing approximately 94.47% of the total existing issued share capital of the Company and approximately 49.36% of the Company's total issued share capital as enlarged by the issue of the Conversion Shares.

Investors shall note that the conversion of the Convertible Bond is subject to the conversion restrictions under the Convertible Bond as set out above.

### Conversion Price

The Conversion Price, being HK\$0.256 per Share, represents:

- (i) a premium of approximately 13.27% over the closing price of HK\$0.226 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 8.47% over the average closing price of approximately HK\$0.236 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iii) a premium of approximately 2.81% over the average closing price of approximately HK\$0.249 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iv) a premium of approximately 3.23% over the average closing price of approximately HK\$0.248 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (v) a premium of approximately 3.23% over the average closing price of approximately HK\$0.248 per Share as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vi) a premium of approximately 1.99% over the average closing price of approximately HK\$0.251 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vii) a premium of approximately 1.19% over the average closing price of approximately HK\$0.253 per Share as quoted on the Stock Exchange for the 180 consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (viii) a premium of approximately 6.67% over the closing price of approximately HK\$0.24 per Share as quoted on the Stock Exchange on the Latest Practicable Date.



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## LETTER FROM THE BOARD

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The Conversion Price was arrived at after arm's length negotiation between the Company and the Subscriber after taking into account (i) the prevailing market price of the Shares with closing price ranged from HK\$0.227 to HK0.27 per Share during the last 60 consecutive trading days immediately prior to the date of the Subscription Agreement and an average closing price of approximately HK\$0.248; (ii) the operation and financial performance of the Group that the Group did not generate any revenue during the year ended 31 March 2023 and had been loss making for the last nine financial years; (iii) the current market conditions with generally low market sentiment; and (iv) the consolidated net liabilities position of the Company as at 31 March 2023 of approximately HK\$67.5 million.

Given the Conversion Price represents slight premium over the market prices of the Share as above-mentioned, the Directors consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders.

### **REASONS FOR AND BENEFIT OF THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENT**

The principal activities of the Group are investment holdings, operating the gaming tables in Cambodia, the development of innovative intellectual properties and technological solutions in connection with Augmented Reality (AR)/Virtual Reality (VR) applications to clients.

As disclosed in the annual report of the Company for the year ended 31 March 2023, the Group recorded no revenue and a loss of approximately HK\$62.5 million for the year ended 31 March 2023. Given the loss making condition, the financial position of the Group has been adversely affected and the Group recorded net liabilities of approximately HK\$67.5 million as at 31 March 2023. However, given the prevailing market prices of the Shares which had been trading low with closing price ranged from HK\$0.227 to HK0.27 per Share during the last 60 consecutive trading days immediately prior to the date of the Subscription Agreement, the low trading volume of the Shares with an average daily trading volume at approximately 17,385 Shares in 2023 up to the Last Trading Day, representing approximately 0.01% of the total issued Shares as at the Last Trading Day, and the net liabilities position of the Group of approximately HK\$67.5 million as at 31 March 2023, it may not be practicable for the Company to carry on a fund raising exercise for substantial amount by way of issue of Shares to independent third party(ies) or to existing Shareholders on a pro rata basis (e.g. rights issue and open offer) without considerable discount to the market prices of the Shares. The Company has approached a security firm for possible fund raising exercises. However, given the loss-making and net liabilities financial position of the Company as mentioned above, the Company was rejected by the securities firm without having in-depth negotiations with them on the terms of the fund raising exercise. On the other hand, as the Company does not have any material assets that could be provided as security to secure loans, the Company did not seek for debt financing or consider other financing alternatives. Accordingly, the Company has decided to negotiate with the Subscriber on the proposed settlement plan of the Indebted Amount. As a result of the negotiations, the Company and the Subscriber agreed to settle part of the Indebted Amount through the Subscription.

The Company and the Subscriber will enter into the Deed of Settlement and the Indebted Amount will be settled as to HK\$32,000,000 through the issue of the Convertible Bond. Accordingly, no immediate cash outflow will be incurred in the settlement of the Indebted Amount and the Indebted Amount will change from current liabilities to non-current liabilities of the Company. Upon maturity of the Convertible Bonds, the Company intends to repay the principal amount of the Convertible Bonds by using the internally generated funds. If the Company does not have sufficient financial resources when the Convertible Bonds matures, the Company may further negotiate with the holder of the Convertible Bond for the extension of the maturity date.

## LETTER FROM THE BOARD

After taking into account that: (i) the partial settlement of the Indebted Amount will not exert immediate cash outflow burden on the Group; (ii) no interest will be charged under the Convertible Bond; (iii) the Indebted Amount will change from current liabilities to non-current liabilities of the Company and thereby improve the Company's net current liabilities position; and (iv) upon conversion of the Convertible Bond, the financial position of the Group would be improved, the Directors consider that the issue of the Convertible Bond is an appropriate debt restructuring plan for the Company.

In view of the above, the Board (including the independent non-executive Directors) considers that the terms of the Subscription Agreement are on normal commercial terms and fair and reasonable, and the transactions contemplated under the Subscription Agreement are in the interests of the Company and the Shareholders as a whole.

### SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has outstanding share options entitling the holders thereof to subscribe for a total of 3,806,922 Shares and outstanding convertible bond with a principal amount of HK\$50 million which is convertible into a maximum of 100,000,000 Shares at the conversion price of HK\$0.50 per conversion share.

Saved as the above, there are no other outstanding options, warrants, derivatives, or other securities which carry rights to subscribe for or be converted into Shares, as at the Latest Practicable Date.

The table below illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon full conversion of the Convertible Bond of HK\$32,000,000 at the Conversion Price of HK\$0.256 per Conversion Share; and (iii) immediately upon full conversion of the Convertible Bond and assuming the full exercise of the outstanding share options and the full conversion of the convertible bonds held by Mr. Ng (assuming there is no other change in the issued share capital and shareholding structure of the Company from the Latest Practicable Date and up to the date of issuance of the Conversion Shares):

	As at the Latest Practicable Date		Immediately after issue and full conversion of Convertible Bond into Conversion Shares (Note 1)		Immediately after issue and full conversion of Convertible Bond into Conversion Shares and assuming the full exercise of the outstanding share options and the full conversion of the convertible bonds held by Mr. Ng (Note 1)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mr. Ng	35,872,196	27.97	160,872,196	63.53	261,592,848	73.90
Ms. Sie Nien Che, Celia	30,000	0.02	30,000	0.01	30,000	0.01
<b>Public Shareholders:</b>						
Ms. Cheng Wai Man	9,621,212	7.50	9,621,212	3.80	9,621,212	2.72
Mr. Huang Wei Qiang	8,690,000	6.78	8,690,000	3.43	8,690,000	2.46
Mr. Wong Kam Wah	8,254,212	6.44	8,254,212	3.26	8,254,212	2.33
Other public Shareholders	65,779,941	51.29	65,779,941	25.97	65,779,941	18.58
Subtotal	92,345,365	72.01	92,345,365	36.46	92,345,365	26.09
<b>Total</b>	<b>128,247,561</b>	<b>100.00</b>	<b>253,247,561</b>	<b>100.00</b>	<b>353,968,213</b>	<b>100.00</b>

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## LETTER FROM THE BOARD

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*Note:*

1. For illustrative purpose only. The conversion of the Convertible Bond shall be subject to the restrictions as set forth in the paragraph headed “Restriction on the exercise of the Conversion Rights” under the section “Principal Terms of the Convertible Bond” above. The exercise of the conversion rights under the existing convertible bond held by Mr. Ng shall be subject to compliance with the Listing Rules, the Takeovers Code or applicable laws or regulations, and shall not be exercised if the Company will be unable to meet the public float requirements under the Listing Rules. The above shareholding table illustrated the maximum number of Shares that could be held by Mr. Ng with the public float requirements maintained, as each of the Shares held by Ms. Cheng Wai Man, Mr. Huang Wei Qiang and Mr. Wong Kam Wah, all of which are third parties independent of and not connected with the Company, are counted towards the public float of the Company.

### **FUND RAISING ACTIVITY IN THE PAST TWELVE-MONTH PERIOD**

The Company has not conducted any fund raising activities in the 12 months prior to the Latest Practicable Date.

### **INFORMATION OF THE GROUP**

The Company is incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange. The principal activities of the Group are investment holdings, operating the gaming tables in Cambodia, the development of innovative intellectual properties and technological solutions in connection with Augmented Reality (AR)/Virtual Reality (VR) applications to clients.

### **INFORMATION OF THE SUBSCRIBER**

The Subscriber, Mr. Ng, is a substantial Shareholder, executive Director, the chairman of the Board and the chief executive officer of the Company.

### **LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, the Subscriber and his close associates in aggregate held 35,872,196 Shares, representing approximately 27.97% of the existing number of issued Shares and hence the Subscriber is a substantial Shareholder and a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the Subscription Agreement and the issue of the Conversion Shares pursuant to the Specific Mandate constitutes a connected transaction of the Company, and is subject to reporting, announcement and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Conversion Shares to be allotted and issued upon exercise of the Conversion Rights pursuant to the Convertible Bond are proposed to be issued pursuant to the Specific Mandate.

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares upon completion of the Subscription Agreement.

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## LETTER FROM THE BOARD

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### ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed pursuant to the Listing Rules to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. Euto Capital has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Shareholders on how to vote at the SGM.

### SGM

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder. The Subscriber and his associates shall abstain from voting in respect of the resolution approving the Subscription. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save for the Subscriber, no other Shareholders have a material interest in the transactions contemplated under the Subscription, and hence no other Shareholders are required to abstain from voting at the SGM in respect of the Subscription Agreement and the transactions contemplated thereunder.

Save for the Subscriber, none of the other Directors has a material interest in the Subscription and is required to abstain from voting on the Board resolution in respect of the Subscription.

A notice convening the SGM of the Company to be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 8 December 2023 at 11:00 a.m. or any adjournment thereof is set out on pages 54 to 55 of this circular. A form of proxy for the SGM is enclosed herein. Whether or not you are able to attend at the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the SGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The results of the poll will be published on the websites of the Stock Exchange and the Company after the SGM in the manner prescribed under Rules 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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**Shareholders and potential investors should note that completion of the Subscription Agreement is conditional upon satisfaction of the conditions as set out in this circular and therefore, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

### **CLOSURE OF THE REGISTER**

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 6 December 2023 to Friday, 8 December 2023, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of Shares of the Company should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 5 December 2023 (Hong Kong Time).

### **RECOMMENDATION**

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 20 and 21 of this circular which contains its recommendation to the Independent Shareholders in relation to the Subscription Agreement; and (ii) the letter from the Independent Financial Adviser set out on pages 22 to 47 of this circular which contains its recommendation and advice to the Independent Board Committee in this regard.

The Board (including the independent non-executive Directors) considers that although the Subscription is not conducted in the ordinary and usual course of business of the Group, the Subscription Agreement is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder.

### **FURTHER INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this circular and the notice of the SGM.

By order of the board of  
**Century Entertainment International Holdings Limited**  
**Ng Man Sun**  
*Chairman and Chief Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the full text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



世紀娛樂國際控股有限公司

CENTURY ENTERTAINMENT INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 959)**

**CONNECTED TRANSACTION IN RELATION TO  
SUBSCRIPTION OF CONVERTIBLE BOND UNDER SPECIFIC  
MANDATE FOR DEBT CAPITALISATION  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

21 November 2023

*To the Independent Shareholders*

Dear Sirs or Madams,

We refer to the circular of the Company to the Shareholders dated 21 November 2023 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider whether the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. Euto Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 19 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of whether the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Independent Shareholders as a whole, and the Independent Shareholders on how to vote as set out on pages 22 to 47 of the Circular.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having taken into account the reasons relating to the Subscription and the terms of the Subscription Agreement and the advice of Euto Capital, we consider that the Subscription, though not being in ordinary and usual course of business of the Group, is on normal commercial terms, fair and reasonable and is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the  
Independent Board Committee of

**Century Entertainment International Holdings Limited**

**Ms. Yeung Pui Han, Regina**

**Mr. Li Chi Fai**

**Ms. Sie Nien Che, Celia**

*Independent Non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Euto Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription of Convertible Bond, which has been prepared for the purpose of inclusion in this circular.*



Room 1204, Jubilee Centre  
18 Fenwick Street  
Wan Chai  
Hong Kong

21 November 2023

*To the Independent Board Committee and  
the Independent Shareholders*

Dear Sirs and Madams,

### CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF CONVERTIBLE BOND UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION

#### INTRODUCTION

We refer to our appointment as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription, particulars of which are set out in the section headed “Letter from the Board” (the “**Letter**”) contained in the circular issued by the Company to the Shareholders dated 21 November 2023 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

On 16 October 2023 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has agreed to subscribe for the Convertible Bond in the principal amount of HK\$32,000,000 for partial settlement of the Indebted Amount, being the amount due from the Company to the Subscriber which is interest free, unsecured and repayable on demand.

As at the Latest Practicable Date, the Subscriber and his wholly-owned company, namely East Legend Holdings Limited, in aggregate held approximately 27.97% of the issued share capital of the Company. In addition, the Subscriber is an executive director, the chairman of the Board and the chief executive officer of the Company. Accordingly, the Subscriber is a connected person of the Company and the entering into of the Subscription Agreement and the issue of the Conversion Shares pursuant to the Specific Mandate constitutes a connected transaction for the Company which is subject to reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Independent Board Committee, comprising all independent non-executive Directors, namely Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia, has been formed to advise the Independent Shareholders on whether (i) the Subscription is in the ordinary and usual course of business of the Group; (ii) the terms of the Subscription Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the Subscription is in the interests of the Company and the Shareholders as a whole, and as to voting.

We, Euto Capital Partners Limited (“**Euto Capital**”), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard, and such appointment has been approved by the Independent Board Committee pursuant to the Listing Rules.

### OUR INDEPENDENCE

Euto Capital is a licensed corporation licensed under the Securities and Futures Ordinance (“**SFO**”) to carry out Type 6 (advising on corporate finance) regulated activity. Euto Capital has participated in and completed various independent financial advisory transactions since 2015. Ms. Wendy Liu (“**Ms. Liu**”) is the person signing off the opinion letter from Euto Capital contained in the Circular. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2014. Ms. Liu has participated in and completed various independent financial advisory transactions in Hong Kong.

Euto Capital was engaged as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to the Company’s extension of the maturity date of the convertible bond (details of which were set out in the Company’s circulars dated 11 November 2022) (“**Previous Engagement**”). Save for the aforesaid engagement, there was no other service provided by Euto Capital to the Company during the past two years immediately preceding the Latest Practicable Date. As at the Latest Practicable Date, we confirmed that there is no relationship or interest between Euto Capital and the Company or any other parties that could reasonably be regarded as a hindrance to Euto Capital’s independence as set out under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription.

We are not associated with and have no significant connection financially or otherwise, with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, the total service fee received by us in relation to the Previous Engagement and the total service fee payable to us in relation to this appointment accounted for an immaterial part of our total revenue for the financial year ending 31 December 2023 and accordingly, we are eligible to give independent advice and recommendations.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We are not aware of the existence of or change in any circumstances that would affect our independence.

Accordingly, we consider that we have performed all reasonable steps as required under the Listing Rules and are eligible to give independent advice in respect of the Subscription.

### BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things: the Subscription Agreement, the financial statements of the Group and other information as set out in the Circular. We have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries (the “**Management**”).

We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true and that all expectations and intentions of the Directors and the Management, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors and the Management. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed.

We consider that we have been provided with, and we have reviewed all currently available information and documents, among others: the annual reports of the Company for the year ended 31 March 2021 (the “**2021 Annual Report**”), for the year ended 31 March 2022 (the “**2022 Annual Report**”) and for the year ended 31 March 2023 (the “**2023 Annual Report**”) and the announcement of the Company dated 16 October 2023 in relation to the Subscription which are made available to us and enable us to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors and the Management. We have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Company or its future prospects.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have assumed that the Subscription will be consummated in accordance with the terms and conditions set forth in the Circular without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Subscription, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Subscription. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with note 1 to Rule 13.80 of the Listing Rules.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Subscription contemplated under the Subscription Agreement, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Subscription Agreement are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

#### 1. Background of the Group

The Company is incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in (i) operating the gaming tables in Cambodia; and (ii) the development of innovative intellectual properties and technological solutions in connection with augmented reality or virtual reality applications to clients.

Set out below is a summary of the consolidated financial information of the Group for each of the years ended 31 March 2021, 2022 and 2023 as extracted from the 2023 Annual Report and the 2022 Annual Report:

#### (i) *Historical financial performance of the Group*

	For the year ended 31 March		
	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)
Revenue	0	200	727
Loss before taxation	(62,549)	(3,857)	(44,991)
Loss for the year attributable to the owners of the Company	(62,549)	(3,675)	(42,999)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(a) For the year ended 31 March 2023 (“FY2023”) and 2022 (“FY2022”)

As disclosed in the 2023 Annual Report, the Group recorded no revenue from continuing operations for FY2023, as compared to approximately HK\$0.2 million for FY2022. The decrease in revenue was mainly because of the spread of COVID-19 and the prolonged closure of all casinos in Cambodia since 1 April 2020 which affected the gaming table business. Additionally, the casino is still in the process of reopening. The net loss for FY2023 was approximately HK\$62.5 million, a 1,589.2% increase from approximately HK\$3.7 million for FY2022. The change in net loss for FY2023 was mainly due to written-off/impairment loss on intangible assets and impairment loss on accounts and other receivables, representing an aggregate amount of approximately HK\$39.5 million.

(b) For the year ended 31 March 2022 and 2021 (“FY2021”)

As disclosed in the 2022 Annual Report, the Group recorded a revenue of approximately HK\$0.2 million from continuing operations for FY2022, decreasing by approximately 72.5% as compared to approximately HK\$0.7 million for FY2021. The spread of COVID-19 and the prolonged closure of all casinos in Cambodia since April 1, 2020, resulted in no revenue being generated from the gaming table business. Additionally, the reopening of the casino is still in progress. Net loss for FY2022 was approximately HK\$3.7 million, decreasing approximately 91.4% as compared to approximately HK\$43.0 million for FY2021. The change in net loss for FY2022 was mainly due to fair value gain on financial assets and financial liabilities at fair value through profit or loss increased by approximately HK\$43.1 million.

(ii) *Historical financial position of the Group*

	<b>For the year ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(audited)	(audited)
<b>Total assets</b>	91,116	133,555
Non-current assets	8,216	38,402
Current assets	82,900	95,153
<b>Total liabilities</b>	158,613	160,225
Current liabilities	128,249	160,225
Non-current liabilities	30,364	–
<b>Net assets/(liabilities)</b>	(67,497)	(26,670)

As stated in the 2023 Annual Report, as at 31 March 2023, the Group had total assets and net liabilities of approximately HK\$91.1 million (2022: approximately HK\$133.6 million) and HK\$67.5 million (2022: approximately HK\$26.7 million), comprising non-current assets of approximately HK\$8.2 million (2022: approximately HK\$38.4 million) and current assets of approximately HK\$82.9 million (2022: approximately HK\$95.2 million). The Group also have current liabilities of approximately HK\$128.2 million (2022: approximately HK\$160.2 million) and non-current liabilities of approximately HK\$30.4 million (2022: nil).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For further details of the financial information of the Group, please refer to the financial reports published by the Company.

### *(iii) Prospect of the Group*

As stated in the 2023 Annual Report, the COVID-19 pandemic has created unprecedented challenges for the global economy and tourism industry over the past three years. Although tourist arrivals have not yet reached pre-COVID levels of 2019, there has been a noticeable improvement since borders reopened in July 2022, which has instilled a sense of optimism within the Group. According to the Asian Development Outlook, Cambodia's tourism industry is expected to grow by 7.3% year-on-year in 2023.

As the global economy continues to recover, it is likely that international travellers will increasingly desire travel and exploration, leading to a steady rise in tourist arrivals and expenditure in the coming years. This presents significant untapped opportunities for the Group.

Moving forward, the Group is committed to its core gaming industry and is actively seeking new avenues for growth, particularly in the entertainment sector, by leveraging its business expertise and strong foundation. As part of the Group's growth strategy, the process of assigning gaming table rights is currently underway. The Group is committed to expediting this process, with the aim of concluding the deal expeditiously. This milestone achievement will not only enhance the Group's financial performance but also solidify the Company's position as a key player in the gaming industry.

Based on the aforementioned circumstances, we comprehend that while the macroeconomic environment may be exhibiting signs of improvement, it remains arduous to predict whether this trend will persist in the future. Additionally, although casinos have been permitted to resume operations, efficient functioning continues to pose challenges due to prolonged closures resulting in notable labor shortages within the industry. Consequently, we anticipate that the future prospects of our Group will remain challenging and uncertain in the near future.

## **2. Reasons for and benefits of entering into the Subscription Agreement**

### *Improve the financial position of the Group*

The Group has been adversely affected by the outbreak of COVID-19, particularly in Cambodia where border restrictions have limited international travel, the main source of traffic for the local gaming industry. As a result, local casino operations have been forced to shut down or operate on a limited scale since early 2021. The Group has been recording losses attributable to the Shareholders for the three years ended 31 March 2023, with minimal revenue generated since 2021. Furthermore, no revenue has been generated from the gaming tables business due to relocation to a new casino in Dara Sakor Investment Zone, Cambodia and AR/VR business for FY 2023. The net loss and net current liabilities of the Group indicate a material uncertainty exists that might cast significant doubt on the Group's ability to continue as a going concern.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As disclosed in the 2023 Annual Report, the Group's liquidity position is under pressure, with net current liabilities of approximately HK\$45.3 million, including cash and cash equivalents of approximately HK\$3.8 million, as at 31 March 2023. The current financial resources of the Group are insufficient to meet its short-term liabilities, and the current ratio and gearing ratio of the Group have been deteriorating during the period under review.

In view of the aforesaid and the loss making financial performance of the Group in the past few years, we understand that (i) the Group had net liabilities of approximately HK\$67.5 million as at 31 March 2023; (ii) the repayment of the Convertible Bond would reduce the working capital and cash resources of the Group and hamper its business development; and (iii) refinancing the Convertible Bond with bank loans would incur interest that would cause further financial burden to the Group, in particular, the market interest rate is currently on a rising trend, the one-month Hong Kong interbank offered rate appearing on the page of Hong Kong Association of Banks as at 11:15 a.m. Hong Kong Time on 31 January 2023 was approximately 2.71% and increased to approximately 5.40% as at 11:15 a.m. Hong Kong Time on 29 September 2023. We consider the issue of the zero-coupon Convertible Bond with a maturity of 36 months to settle part of its current indebtedness in the amount of HK\$32,000,000 allows the Group to refinance its debt for a longer term and relieve its liquidity pressure to repay its current liabilities in light of its prolonged loss-making and net current liabilities position.

### *Alternative Funding methods considered*

As disclosed in the Letter from the Board, taking into account the financial position of the Group, the prevailing market prices and trading volume of the Shares and the net current liabilities position of the Group, the Directors consider that it may not be favourable to have a fund raising exercise for substantial amount by way of issue of Shares to independent third party(ies) or to existing Shareholders on a pro-rata basis (e.g. rights issue or open offer) where considerable discount to the market prices of the Shares would be required. The Company has approached a security firm for possible fund raising exercises. However, given the loss-making and net liabilities financial position of the Company as mentioned above, the Company was rejected by the securities firm without having in-depth negotiations with them on the terms of the fund raising exercise. On the other hand, as the Company does not have material assets that could be provided as security to secure loans, the Company did not seek for debt financing or consider other financing alternatives.

We have conducted a desktop research for the recent three months from 17 July 2023 to the date of the Subscription Agreement, we have identified an exhaustive list of 9 rights issues and 1 open offer ranging from a discount of 12.0% to 58.0%, with an average discount of 33.0% to the close price on the last trading day, while the Conversion Price represents a premium of approximately 13.27% over the closing price of HK\$0.226 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement. We concur with the Directors' view that it may not be favourable to have a fund raising exercise for substantial amount by way of issue of Shares to independent third party(ies) or to existing Shareholders on a pro-rata basis (e.g. rights issue or open offer).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Taking into account, in particular, (i) the limitation in alternative methods of financing; (ii) refinancing the Convertible Bond through equity fund raising exercise (such as placing of new shares, rights issue or open offer) would cause an immediate and material dilution to all Shareholders (including the Independent Shareholders) who do not participate in the exercise; and (iii) the terms of the Subscription contemplated under the Subscription Agreement are fair and reasonable as discussed below, we concur with the Company's view that the entering into of the Subscription Agreement, including the issuance of the Convertible Bond, is the most appropriate means for the settlement of part of the Indebted Amount under present circumstances. Although the Subscription contemplated under the Subscription Agreement is not in the ordinary and usual course of business of the Group, it is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

### 3. Information of the Subscriber

The Subscriber, Mr. Ng, is a substantial Shareholder, executive Director, the chairman of the Board and the chief executive officer of the Company.

### 4. Principal terms of the Subscription Agreement and the Convertible Bond

#### (i) *The Subscription Agreement*

Details of the Subscription Agreement are set out in the Letter from the Board, which are summarised below:

Date	:	16 October 2023
Parties	:	(a) the Company, as issuer; and (b) Mr. Ng (as subscriber)
Subject	:	As at the date of the Subscription Agreement, the Subscriber has provided a loan to the Company in the Indebted Amount of HK\$58,720,000 which was interest free, unsecured and repayable on demand.

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to issue the Convertible Bond in the principal amount of HK\$32,000,000.

The subscription amount payable by the Subscriber under the Subscription Agreement shall be satisfied by releasing the payment obligation of HK\$32,000,000 of the Company against part of the Indebted Amount.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Conditions precedent : Completion of the Subscription Agreement is conditional upon, among other things:

- (i) the entering into of the Deed of Settlement;
- (ii) the written confirmation letter provided by the Company to the Subscriber, confirming the representations, warranties and undertaking given by the Company in the Subscription Agreement remaining true, correct and not misleading in all material respects as at the Completion Date;
- (iii) the certified true copy or original of the executed Convertible Bond instrument, the certificate of the Convertible Bond, the certified true copy of the updated register of bondholders and other relevant documents were delivered to the Subscriber by the Company;
- (iv) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares to be issued upon exercise of the Conversion Rights pursuant to the Convertible Bond and such grant remaining in full force and effect;
- (v) all necessary consents, approvals (or waivers), authorisation, permission or exemption from any third parties, including but not limited to government or regulatory authorities, having been obtained by the Company in connection with the Subscription and the issue of the Convertible Bond and the Conversion Shares upon exercise of the Conversion Rights and such consents, approvals (or waivers), authorisation, permission or exemption remaining in full force and effect;
- (vi) the compliance by the Company with all legal and other requirements under the Listing Rules and the laws of Bermuda applicable to the transactions contemplated under the Subscription Agreement; and



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(vii) the passing of the requisite respective resolution(s) by the Board and the Shareholders at the SGM (other than those persons who are precluded from voting under the Listing Rules) approving, inter alia, the transactions contemplated under the Subscription Agreement (including but not limited to the issue of the Convertible Bond and the allotment and issue of Conversion Shares upon exercise of the Conversion Rights).

All conditions above are non-waivable except that condition (ii) above is waivable at the discretion of the Subscriber.

In the event that the conditions of the Subscription are not fulfilled by 5:00 p.m. on or before 31 December 2023 or such other time and date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any claim against the other save for any antecedent breaches of the terms thereof.

### *(ii) The Convertible Bond*

Details of the principal terms of the Convertible Bond are set out in the Letter from the Board, which are summarised below:

Principal amount	:	HK\$32,000,000
Interest rate	:	Interest free
Maturity Date	:	36 months from the date of issue of the Convertible Bond
Denomination for conversion	:	With a minimum aggregate amount of HK\$1,000,000 and authorised denominations(s) integral multiples thereof save that if at any time the aggregate outstanding principal amount held by a holder of the Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be converted.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- Conversion rights : A holder of the Convertible Bond shall have the right to convert in whole or in part (in an integral multiple of HK\$1,000,000) of the Convertible Bond into Conversion Shares at the Conversion Price (subject to adjustments) on any Business Day from the date of issue of the Convertible Bond and up to the maturity date of the Convertible Bond, subject to the restrictions on the exercise of the Conversion Rights as set out below.
- Conversion price : HK\$0.256 per Share, subject to adjustments.

The Conversion Price shall be adjusted as provided in the Convertible Bond instrument in each of the following cases:

- (i) an alteration of the number of the Shares by reason of any consolidation or subdivision. The Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund). The Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iii) a capital distribution (as defined in the Convertible Bond instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such, or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries. The Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date next preceding the date of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank, of the portion of the capital distribution or of such rights which is attributable to one Share,

Provided that:

- (aa) if in the opinion of the relevant approved merchant bank, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and
- (bb) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for Shares, at a price which is less than eighty per cent (80%) of the market price at the date of the announcement of the terms of the offer or grant. The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Issuer Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant), provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder of the Convertible Bonds (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the conversion rights under the Convertible Bond in full on the day immediately preceding the record date for such offer or grant.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (v) an issue being made by the Company wholly for cash of any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for Shares, and the total effective consideration per Share (as defined in the Convertible Bond instrument) initially receivable for such securities is less than 80% of the market price, at the date of the announcement of the terms of issue of such securities. The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total effective consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in the above are modified so that the total effective consideration per Share initially receivable for such securities shall be less than 80% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

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- (vi) an issue being made by the Company of Shares wholly for cash at a price which is less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued; and
  
- (vii) an issue being made by the Company of Shares for the acquisition of asset at a total effective consideration per Share (as defined in the Convertible Bond instrument) less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the total effective consideration per Share and the denominator shall be such market price.

- Transferability : No assignment or transfer (whether in whole or in part(s)) may be made to connected person of the Company, and the principal amount to be transferred or assigned must be at least HK\$1 million or integral multiples of HK\$1 million.
  
- Listing : No application will be made for the listing of the Convertible Bond on the Stock Exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights.
  
- Ranking : The Conversion Shares to be issued upon the exercise of the Conversion Rights will be credited as fully paid and will rank pari passu in all respects among themselves and with other existing Shares outstanding at the date of issue of the Conversion Shares and be entitled to all dividends and other distributions the record date for which falls on a date on or after the date of their issue.

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Voting : A holder of the Convertible Bond will not be entitled to receive notices of, attend or vote at any Shareholders' meetings of the Company by reason only of it being a holder of the Convertible Bond.

Redemption and repurchase : The Company shall redeem at 100% of the outstanding principal amount of the Convertible Bond (as the case may be) on the maturity date.

The Company shall have the right to redeem in whole or any part(s) of the principal amount of the Convertible Bond, with an aggregate amount of HK\$1,000,000 and authorised denomination(s) integral multiples thereof (if at any time the aggregate outstanding principal amount held by a holder of the Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be redeemed), at any time on any business day prior to the maturity date by giving prior notice of not less than thirty (30) days in writing to the holder of the Convertible Bond. The Convertible Bond(s) or any part thereof so redeemed shall forthwith be cancelled by the Company.

Status : The obligations of the Company arising under the Convertible Bond constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable laws.

Restriction on the exercise of the Conversion Rights : The holder(s) of the Convertible Bond agree and undertake to the Company that it shall not exercise any of the Conversion Rights if:

- i. the holder(s) of the Convertible Bond and parties acting in concert with it/them will directly or indirectly control or be interested in such percentage of voting rights of the Company which the holder(s) would be obliged to make a general offer under the Takeovers Code or
- ii. the Company will be unable to meet the public float requirements under the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Assuming full conversion of the principal amount of the Convertible Bond of HK\$32,000,000 at the Conversion Price, a total of maximum 125,000,000 Shares with an aggregate nominal value of HK\$1,250,000 will be issued, representing approximately 97.47% of the total existing issued share capital of the Company and approximately 49.36% of the Company's total issued share capital as enlarged by the issue of the Conversion Shares.

### 5. Assessment of the principal terms of the Subscription

#### (i) *Conversion Price*

The Conversion Price, being HK\$0.256 per Share, represents:

- (i) a premium of approximately 13.27% over the closing price of HK\$0.226 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 8.47% over the average closing price of approximately HK\$0.236 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iii) a premium of approximately 2.81% over the average closing price of approximately HK\$0.249 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iv) a premium of approximately 3.23% over the average closing price of approximately HK\$0.248 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (v) a premium of approximately 3.23% over the average closing price of approximately HK\$0.248 per Share as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vi) a premium of approximately 1.99% over the average closing price of approximately HK\$0.251 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vii) a premium of approximately 1.19% over the average closing price of approximately HK\$0.253 per Share as quoted on the Stock Exchange for the 180 consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (viii) a premium of approximately 6.67% over the closing price of HK\$0.24 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.



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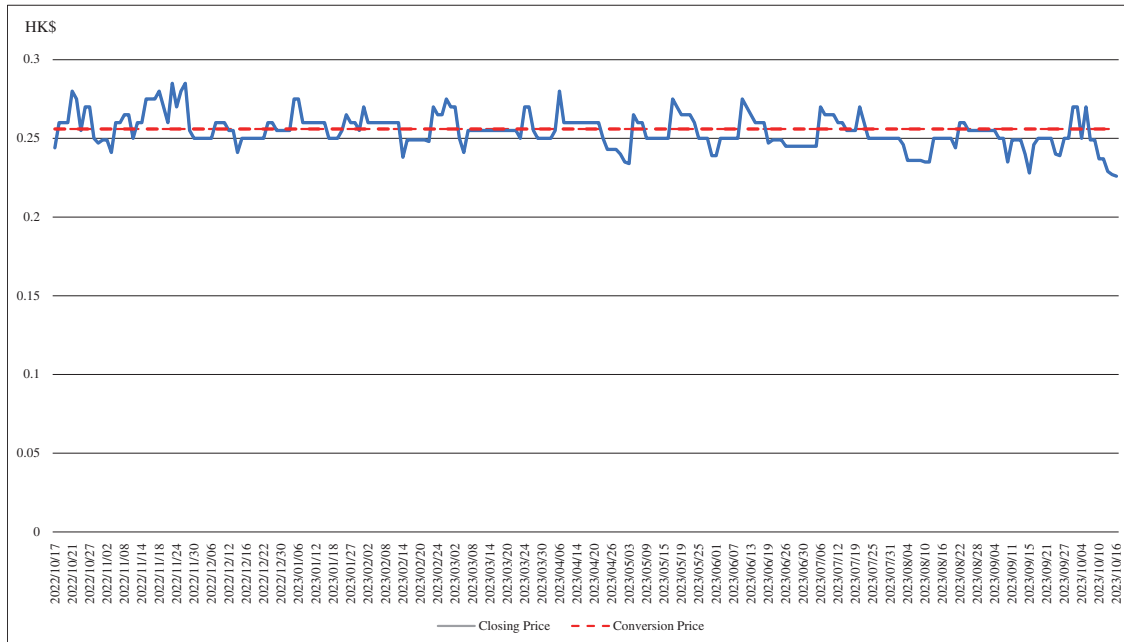
As disclosed in the Letter from the Board, the Conversion Price was arrived at after arm's length negotiation between the Company and the Subscriber after taking into account (i) the prevailing market price of the Shares with closing price ranged from HK\$0.227 to HK\$0.27 per Share during the last 60 consecutive trading days immediately prior to the date of the Subscription Agreement and an average closing price of approximately HK\$0.248; (ii) the operation and financial performance of the Group that the Group did not generate any revenue during the year ended 31 March 2023 and had been loss making for the last nine financial years; (iii) the current market conditions with generally low market sentiment; and (iv) the consolidated net liabilities position of the Company as at 31 March 2023 of approximately HK\$67.5 million.

*(a) Comparison with historical closing prices of the Shares*

In order to assess the fairness and reasonableness of the Conversion Price, we have performed a review on the daily closing prices of the Shares from 17 October 2022 to the date of the Subscription Agreement (being approximately one year) (the “**Review Period**”) and up to and including the date of the Subscription Agreement and compared them with the Conversion Price. We consider the Review Period which covers a full year is adequate to illustrate the general trend and level of movement of the daily closing prices of the Shares when assessing the Conversion Price. Given the duration of the Review Period of one year (i) can adequately reflect the recent market trend of the pricing of the Shares in view of the ever changing market environment, where the pricing dated a long time ago would be less representative of the current prevailing environment; and (ii) is in line with the usual market practice for market pricing review, we consider such duration to be fair and representative.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### Historical closing price of the Shares



Source: website of the Stock Exchange

As illustrated in the chart above, the Company's share price has been relatively stable with only minor fluctuations, despite some peaks and dips. The share price has been fluctuating between 0.226 and 0.285, with a dip to HK\$0.226 on 16 October 2023, and a rise to 0.285 on 23 and 28 November 2022. Overall, the Company's share price has remained relatively consistent.

We noted that the daily closing price of the Shares ranged from HK\$0.226 per Share (the "Lowest Daily Closing Price") to HK\$0.285 per Share (the "Highest Daily Closing Price"), with the average daily closing price of approximately HK\$0.255 per Share (the "Average Daily Closing Price") during the Review Period. The Conversion Price of HK\$0.256 per Share represents (i) a premium of approximately 13.27% over the Lowest Daily Closing Price of HK\$0.226 per Share; (ii) a discount of approximately 10.18% to the Highest Daily Closing Price of HK\$0.285 per Share; and (iii) is slightly above the Average Daily Closing Price of approximately HK\$0.255 per Share for the Review Period.

Having considered the Conversion Price is slightly above the Average Daily Closing Price and is within the range of the daily closing price of the Shares during the Review Period, we concur with the Directors' view that the Conversion Price is determined based on the prevailing market prices of the Shares which have fully reflected the current market conditions and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(b) *Average daily trading volume of the Shares*

Apart from historical daily closing prices of the Shares, we have reviewed the average daily trading volume of the Shares for each month during the Review Period and up to and including the date of the Subscription Agreement, details of which are set out below:

	Approximate average daily trading volume of the Shares  (No. of Shares)	Number of trading days  Days	Approximate percentage of average daily trading volume to total number of issued Shares (Note 1)  Approximate percentage (rounded to 3 decimal places)	Approximate percentage of average daily trading volume to total number of issued Shares held by public Shareholders (Note 2)  Approximate percentage (rounded to 3 decimal places)
<b>Year 2022</b>				
October	16,537	11	0.013%	0.025%
November	148,439	22	0.116%	0.226%
December	43,751	20	0.034%	0.066%
<b>Year 2023</b>				
January	16,984	18	0.013%	0.026%
February	31,795	20	0.025%	0.048%
March	22,729	23	0.018%	0.035%
April	7,793	17	0.006%	0.012%
May	8,560	21	0.007%	0.013%
June	12,058	21	0.009%	0.018%
July	7,493	20	0.006%	0.011%
August	11,727	23	0.009%	0.018%
September	18,382	19	0.014%	0.028%
1 October to the Date of the Subscription Agreement	52,201	10	0.041%	0.079%
<b>Highest</b>			<b>0.116%</b>	<b>0.226%</b>
<b>Lowest</b>			<b>0.006%</b>	<b>0.011%</b>
<b>Average</b>			<b>0.024%</b>	<b>0.047%</b>

*Source: website of the Stock Exchange*

*Notes:*

- Based on the number of total issued Shares as at each month end as disclosed in the monthly returns of the Company.
- Based on the number of Shares held by public Shareholders calculated by deducting the Shares held by Mr. Ng Man Sun, Ms. Cheng Wai Man, Mr. Huang Wei Qiang and Mr. Wong Kam Wah from the number of total issued Existing Shares as at each month or period end.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown in the table above, the average daily trading volume of the Shares in each month ranged from 7,493 Shares in July 2023 to 148,439 Shares in November 2022, representing approximately 0.006% and 0.116% of the total number of issued Shares as at the end of the relevant months and approximately 0.011% to 0.226% of the total number of issued Shares held by public Shareholders as at the end of the relevant months, respectively, indicating a relatively thin trading liquidity during the Review Period and up to and including the date of the Subscription Agreement.

Considering the limited trading liquidity of the Shares illustrated above, along with the Group's loss-making and net current liabilities position, and after the discussion with the Director, we are given to understand that the Company has approached a security firm for possible fund raising exercises and was rejected by the securities firm without having in-depth negotiations, we concur with the Directors' view that conducting fund raising exercises like share placement, rights issue, or open offer may not be feasible. This is due to (i) the difficulty in finding independent third parties willing to act as placing agents or underwriters without favourable terms, and (ii) the need for a significant discount on the market prices of the Shares to attract potential investors or existing shareholders. Therefore, we view the partial settlement of the Indebted Amount through the issuance of the Convertible Bond, with a Conversion Price set above the closing price on the date of the Subscription Agreement and the Average Daily Closing Price per Share and is within the range of the daily closing price of the Shares during the Review Period, is favourable to the Company and in the interests of the Company and Shareholders as a whole.

*(c) Comparison with other issues and subscriptions of convertible bonds or notes*

To ensure the fairness and reasonableness of the terms of the Convertible Bond, we have reviewed comparable transactions involving the issuance of convertible bonds, notes, or securities to independent third parties or connected persons. These transactions were announced by companies listed on the Stock Exchange within three months preceding the Subscription Agreement (the "CB Comparables"). We identified 7 CB Comparables to the best of our knowledge, which we consider exhaustive. We believe that the following list of CB Comparables is fair and representative, taking into account that (i) they involve the same type of transaction as the Subscription Agreement, i.e., the issuance of convertible bonds or notes or securities under specific mandate by listed companies on the Stock Exchange, which facilitates meaningful comparison purposes; (ii) the three-month period immediately before the Subscription Agreement represents a reasonable and meaningful time period to capture recent market practices for this transaction; and (iii) an exhaustive list of CB Comparables that fulfill the selection criteria is more representative to provide a comprehensive reference for comparison purposes. Selecting CB Comparables without considering the connected relationship of the subscriber(s) with the listed companies could provide a more balanced and comprehensive reference as terms given to connected person(s) should be no more favorable than terms given to independent third party(ies) under the general regulatory framework. Determining any outlier involves subjective judgment, which may bias the final result.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Independent Shareholders should note that the businesses, operations and prospects of the Company are not the same as, or even substantially vary from, those of the CB Comparables, and we have not conducted any detailed investigation into the respective businesses and operations of the CB Comparables.

Date of announcement	Name of Company (Stock code)	Principal amount	Duration (years)	Premium/(discount) of conversion price over/(to) the closing price of the last trading day prior to the date of the Subscription Agreement (%)	Interest rate per annum (%)	Connected transaction (Yes/No)
9/22/2023	Wai Hung Group Holdings Limited (3321.HK)	HK\$52,000,000	3	-97.98%	0	No
9/22/2023	China Kingstone Mining Holdings Limited (1380.HK)	HK\$200,000,000	3	-44.20%	2	No
9/12/2023	China Parenting Network Holdings Limited (1736.HK)	HK\$28,290,000	0.5	0.00%	8	No
9/11/2023	Huscoke Holdings Limited (704.HK)	HK\$200,000,000	2	-0.56%	8	Yes
8/29/2023	Kiu Hung International Holdings Limited (381.HK)	HK\$45,000,000	5	32.74%	4	No
8/25/2023	Mobile Internet (China) Holdings Limited (1439.HK)	HK\$496,258,739	2	-58.30%	2	No
7/28/2023	Innovative Pharmaceutical Biotech Limited (399.HK)	HK\$55,500,000	10	0.00%	0	Yes
		<b>Maximum:</b>	<b>10</b>	<b>32.74%</b>	<b>8</b>	
		<b>Minimum:</b>	<b>0.5</b>	<b>-97.98%</b>	<b>0</b>	
		<b>Average:</b>	<b>3.6</b>	<b>-24.04%</b>	<b>3.4</b>	
		<b>Median:</b>	<b>3</b>	<b>-0.56%</b>	<b>2</b>	
		Convertible Bond	3	13.27%	0	Yes

Source: website of the Stock Exchange

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown in the table above, the conversion prices of the CB Comparables ranged from a discount of approximately 97.98% to a premium of approximately 32.74% to/over the respective closing price per share on the last trading day on/prior to the date of the relevant agreement, with an average and median of discount of approximately 24.04% and 0.56%, respectively. Taking into account the premium of approximately 13.27%, as represented by the Conversion Price over the closing price of HK\$0.226 per Share on the date of the Subscription Agreement, is within the range of, and is higher than the average and median of, those of the CB Comparables, we consider the Conversion Price to be fair and reasonable.

*(ii) Interest rate*

As shown in the table above, the interest rates of the CB Comparables ranged from nil to 8% with an average of approximately 3.4% per annum. The Convertible Bond is interest-free and is at the bottom of the range of interest rates of the CB Comparables. As the Convertible Bond will not bear any interest (i.e. zero-coupon), we consider that it is a favourable term to the Company.

*(iii) Maturity*

The terms to maturity of the CB Comparables ranged from 0.5 years to 10 years with an average term to maturity of approximately 4.2 years. Given the term to maturity of the Convertible Bond of 3 years falls within the range of duration of the CB Comparables, we consider the term to maturity of the Convertible Bond to be fair and reasonable.

*(iv) Overall comment*

As illustrated above, we consider the principal terms of the Subscription are in line with the market practice demonstrated by the CB Comparables, we are of the view that the principal terms of the Subscription Agreement are on normal commercial terms and are considered as fair and reasonable.

### **6. Potential dilution effect on the shareholding interests of the existing public Shareholders**

As shown in the Letter from the Board under the section headed “Shareholding structure of the Company”, assuming there is no other change in the issued share capital and shareholding structure of the Company from the Latest Practicable Date to the issue and allotment of the Conversion Shares, the shareholding in the Company held by existing public Shareholders would be diluted from approximately 51.29% to approximately 25.97% immediately after the full conversion of the Convertible Bond.

We are aware of the relatively high dilution effect as a result of the full conversion of the Convertible Bond. Nonetheless, considering (i) the Group’s deteriorating financial position; (ii) limited alternative means of financing with acceptable terms are available to raise the required fund to relieve the liquidity pressure of the Group; (iii) the Subscription will not result in an immediate cash outflow for the Group and will immediately improve the net current liability position of the Group; (iv) the reasons for entering into of the Subscription Agreement as previously mentioned in this Letter; (v) the terms of the Subscription (including the issue

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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of the Convertible Bond) are fair and reasonable, and (vi) the conversion restriction under the terms of the Convertible Bond in which the holder(s) may not convert the Convertible Bond if it would result in (1) the holder(s) being obliged to make a general offer under the Takeovers Code unless a whitewash waiver is obtained or a general offer is made in accordance with the Takeovers Code; or (2) the Company failing to comply with the minimum public float requirement under the Listing Rules, we consider that the potential dilution effect on the shareholding of existing public Shareholders in the Company is acceptable so far as they are concerned.

### **7. Financial impact of the Subscription**

#### *(i) Earnings*

The Convertible Bond is interest free and hence no cash outflow in respect of the interest payment on the Convertible Bond. It is expected that the issue of the Convertible Bond will not have impact on the earnings of the Group.

#### *(ii) Liquidity*

Since the principal amount for the Convertible Bond of HK\$32,000,000 will be offset against the Indebted Amount, there will be no additional cash or fund injected into the Company upon Completion, which will have no material effect on the Group's cash position. In addition, the outstanding principal amount of the Indebted Amount which forms part of the current liabilities of the Group was offset by the Convertible Bond which shall mature in the 36 months from the date of issue of the Convertible Bond which will form part of the non-current liabilities of the Group, the working capital position would therefore be improved after the replacement.

#### *(iii) Net Liabilities*

According to the 2023 Annual Report, the net liabilities of the Company amounted to approximately HK\$67.5 million as at 31 March 2023. It is expected that the net liabilities position of the Company will improve upon conversion of the Convertible Bond by the Subscriber into Conversion Shares as a result of the decrease in liabilities and increase in share capital if the conversion rights attached to the Convertible Bond are exercised.

#### *(iv) Gearing Ratio*

According to the 2023 Annual Report, the gearing ratio of the Group was approximately 174.1% as at 31 March 2023, calculated based on the total debt to the total assets. It is expected that the Subscription will not have an immediate material impact on the gearing of the Group.

In the event that the Subscriber exercises the conversion rights attaching to the Convertible Bond, assuming no other factors affecting the financial position of the Group, the gearing position would improve and the conversion of the Convertible Bond by the Subscriber into the Conversion Shares would enlarge the capital base and increase the net asset value of the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial performance and position of the Company would be following the Subscription.

### OPINION AND RECOMMENDATION

In arriving at our opinion and recommendation, we have considered the principal factors and reasons as discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- adversely affected by the outbreak of COVID-19 and the prolonged closure, the Group recorded loss attributable to the Shareholders for the three years ended 31 March 2023, with minimal revenue generated since 2021 resulting in a deteriorating financial position with net current liabilities and cash and cash equivalents of approximately HK\$45.3 million and HK\$3.8 million as at 31 March 2023, respectively. A debt restructuring plan is therefore critical to improving the liquidity and financial position of the Group;
- in view of the thin trading liquidity of the Shares and the loss-making and net current liabilities position of the Group, conducting fund raising exercises such as a share placement or a rights issue or open offer may not be feasible given:
  - it is difficult to find independent third parties who are willing to act as placing agents or underwriters without any favorable terms;
  - considerable discounts to the market prices of the Shares will be required to attract potential investors or existing Shareholders to participate in the fund raising exercise;
- the Subscription is an appropriate debt restructuring plan given:
  - the Subscription will not result in an immediate cash outflow for the Group and will improve the net current liability position of the Group;
  - no interest will be charged under the Convertible Bond;
  - the Convertible Bond, if converted, will improve the capital base and gearing of the Group;
  - the Conversion Price is at premiums to the prevailing market prices of the Shares whereas considerable discounts to the market prices of the Shares may be required for other alternative means of financing such as share placement, rights issue or open offer as explained above;



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- the terms of the Subscription (including the issue of the Convertible Bond) are fair and reasonable as a whole after taking into account the following:
  - the Conversion Price is fair and reasonable:
    - the premium as represented by the Conversion Price over the closing price on the date of the Subscription Agreement is within the ranges of, and is higher than the average and median of, those of the CB Comparables;
  - other principal terms of the Subscription, including the term of maturity and interest rate of the Convertible Bond, are in line with the market practice as demonstrated by the CB Comparables;
  - the potential dilution effect on the shareholding of existing public Shareholders of the Company is acceptable; and
- the Subscription is expected to improve the liquidity of the Group as well as the net asset value and gearing of the Group upon conversion of the Convertible Bond.

Based on the above, we consider that the terms of the Subscription (including the issue of the Convertible Bond) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the Subscription (including the issue of the Convertible Bond), while not in the ordinary and usual course of business of the Company, is nevertheless in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Subscription (including the issue of the Convertible Bond).

Yours faithfully,  
For and on behalf of  
**Euto Capital Partners Limited**  
**Wendy Liu**  
*Director*

Ms. Wendy Liu (“Ms. Liu”) is a licensed person registered with SFC and regarded as a responsible officer of Type 6 (advising on corporate finance) of Euto Capital Partners Limited. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since 2014 and has participated in and completed various independent financial advisory transactions in Hong Kong.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (i) Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

#### *Long positions in the Shares and underlying Shares of the Company*

Name of Directors	Capacity	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of issued share capital
Mr. Ng Man Sun	Beneficial owner	35,841,459	100,720,652 <i>(Note 1)</i>	136,562,111	106.48%
	Interest in a controlled corporation <i>(Note 2)</i>	30,737	–	30,737	0.02%
	<b>Total</b>	35,872,196	100,720,652 <i>(Note 1)</i>	136,592,848	106.50%
Ms. Ng Wai Yee	Beneficial owner	–	745,478 <i>(Note 3)</i>	745,478	0.58%
Ms. Yeung Pui Han, Regina	Beneficial owner	–	196,478 <i>(Note 3)</i>	196,478	0.15%
Mr. Li Chi Fai	Beneficial owner	–	196,478 <i>(Note 3)</i>	196,478	0.15%
Ms. Sie Nien Che, Celia	Beneficial owner	30,000	171,652 <i>(Note 3)</i>	201,652	0.16%

*Notes:*

1. These interests represent the number of underlying shares in respect of (a) the share option scheme of the Company (720,652 underlying Shares); and (b) the convertible bond issued to Mr. Ng on 31 March 2022 (100,000,000 underlying Shares). The exercise of the conversion rights under the convertible bond shall be subject to compliance with the Listing Rules, the Hong Kong Code on Takeovers and Mergers or applicable laws or regulations. The convertible bond shall not be exercised if the Company will be unable to meet the public float requirements under the Listing Rules. Assuming the convertible bonds are fully converted and the options are fully exercised, Mr. Ng would be interested in 136,592,848 Shares, representing approximately 59.66% of the Company's enlarged issued share capital.
2. For 30,737 Shares being held by East Legend Holdings Limited ("*East Legend*"), Mr. Ng is interested in the entire issued share capital of East Legend and he is deemed to be interested in the 30,737 Shares held by East Legend.
3. These interests represent the number of underlying shares in respect of the share option scheme of the Company adopted on 12 September 2012.

Save as disclosed above, to the best knowledge of the Directors as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**(ii) Substantial Shareholders' interests in the Shares and underlying Shares**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons (other than a Director or chief executive of the Company or their respective associates) or entities who had, or were deemed or taken to have, an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital were as follows:

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Approximate percentage of issued share capital</b>
Ms. Cheng Wai Man	Beneficial owner	9,621,212	7.50%
Mr. Huang Wei Qiang	Beneficial owner	8,690,000	6.78%
Mr. Wong Kam Wah	Beneficial owner	8,254,212	6.44%

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person (other than a Director or chief executive of the Company or their respective associates) had, or were deemed or taken to have, an interest or a short position in the Shares or the underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 to the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or any options in respect of such share capital.

### 3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### 4. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS

Save as disclosed in the section headed "COMPETING INTERESTS" below, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 March 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

### 5. COMPETING INTERESTS

The Group is principally engaged in operating the gaming tables in Cambodia, the development of innovative intellectual properties and technological solutions in connection with Augmented Reality (AR)/Virtual Reality (VR) applications to clients. As at the Latest Practicable Date, Mr. Ng, a substantial Shareholder, an executive Director, the chairman of the Board and Chief Executive Officer of the Company, has an interest and held directorship in Lion King Entertainment Company Limited ("**Lion King**") which engaged in the same business of operating gaming tables at the same casino in Cambodia as the Group. As such, he is regarded as being interested in such competing business with the Group.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and his/her respective associates had interests in the businesses which competes or was likely to compete, whether directly or indirectly, with the business of the Group.

## 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the annual report of the Company for the year ended 31 March 2023, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## 7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) the amendment agreement dated 30 September 2022 entered into between the Company and Mr. Ng in relation to the, among others, the extension of the maturity date of the convertible bond in the principal amount of HK\$50 million issued to Mr. Ng from 30 September 2022 to 30 September 2025; and
- (ii) the new assignment agreement (the “**New Assignment Agreement**”) dated 27 February 2023 entered into among Lion King, Mr. Ng Man Sun and Victor Mind Global Limited, a wholly-owned subsidiary of the Company, in respect of the assignment of the rights and entitlement to the net profit (after tax) generated from the operation and management of eight gaming tables at a casino in Cambodia for a period of five years from the completion date of the New Assignment Agreement at the consideration of HK\$58 million which shall be settled by offsetting the amount due from Mr. Ng and Lion King to the Group of HK\$58 million.

## 9. EXPERT AND CONSENT

The following is the qualifications of the expert who has given its opinion or advice as contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Euto Capital	A corporation licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Euto Capital has given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letter of advice and references to their name in the form and context in which the respectively appear.

As at the Latest Practicable Date, Euto Capital had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, Euto Capital did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023 (being the date to which the latest published audited financial statements of the Group were made up).

## **10. MISCELLANEOUS**

- (i) The company secretary of the Company is Mr. Man Yun Wah. He is an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries).
- (ii) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (iii) The head office and principal place of business of the Company in Hong Kong is at G02, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.
- (iv) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (v) The English text of this circular and accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

## **11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ceihldg.com](http://www.ceihldg.com)) for a period of not less than 14 days from the date of this circular up to and including the date of the SGM:

- (i) the Subscription Agreement;
- (ii) the written consent of expert as referred to in the paragraph headed “9. Expert and Consent” in this appendix;

- (iii) the material contracts referred to under the paragraph headed “8. Material Contracts” in this appendix;
- (iv) the letter from the Independent Board Committee, the text of which is set out on pages 20 and 21 in this circular;
- (v) the letter from the Independent Financial Adviser, the text of which is set out on pages 22 to 47 in this circular; and
- (vi) this circular.

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## NOTICE OF THE SGM

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世紀娛樂國際控股有限公司

CENTURY ENTERTAINMENT INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 959)**

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**SGM**”) of Century Entertainment International Holdings Limited (the “**Company**”) will be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Friday, 8 December 2023 at 11:00 a.m. to transact the following businesses:

### **ORDINARY RESOLUTION**

To consider and, if thought fit, pass, with or without modification, the following resolution as ordinary resolution of the Company.

**“THAT:**

- (a) the Subscription Agreement (a copy of which has been produced to the SGM marked “**A**” and signed by the chairman of the SGM for the purpose of identification) entered into between the Company (as issuer) and the Mr. Ng Man Sun (as subscriber) in relation to the partial settlement of the indebted amount in the sum of HK\$58,720,000 by the Company to the Subscriber (details were disclosed in the Circular, a copy of which is marked “**B**” and signed by the chairman of the SGM for identification purpose and has been tabled at the SGM), and the transactions contemplated thereunder, be and are hereby approved and confirmed;
- (b) any one or more of the directors of the Company be and is/are hereby authorized to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be, as they may in their discretion consider necessary, desirable or expedient to carry and implement the Subscription Agreement and the transactions contemplated thereunder; and



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## NOTICE OF THE SGM

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- (c) the directors of the Company be and are hereby granted a specific mandate to exercise the powers of the Company to allot, issue and deal with the Conversion Shares (as defined in the Circular).”

Yours faithfully,

For and on behalf of the board of directors of  
**Century Entertainment International Holdings Limited**  
**Ng Man Sun**  
*Chairman and Chief Executive Officer*

Hong Kong, 21 November 2023

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*

G02, Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed. As an alternative, Shareholders may consider to appoint the Chairperson of the SGM as their proxy to vote on the relevant resolution(s) at the SGM.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the SGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the SGM or any adjournment thereof, should he/she/it so wish.
3. In order to determine the entitlement of Shareholders to the right to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 6 December 2023 to Friday, 8 December 2023, both dates inclusive, during which period no share transfers will be effected. All transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 5 December 2023.
4. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 8:00 a.m. on the date of the SGM, the meeting will be postponed. The Company will post an announcement on the Company’s website ([www.ceihldg.com](http://www.ceihldg.com)) and on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) to notify Shareholders of the date, time and place of the rescheduled meeting.