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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Century Entertainment International Holdings Limited (“**Century Entertainment**” or the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2023 (the “**Period under Review**”), together with the unaudited comparative figures for the corresponding period in 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

		Six months ended 30 September	
	<i>Notes</i>	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	5	–	–
Cost of sales		–	–
Gross profit		–	–
Other income and gains	6	71	109
Impairment loss on accounts and other receivables, net of reversal		–	9,394
Fair value gain on financial assets and financial liabilities at fair value through profit or loss, net		–	2,118
General and administrative expenses		(6,185)	(12,538)
Finance costs	7	(4,876)	(4,929)
Loss before taxation	8	(10,990)	(5,846)
Income tax credit	9	–	–
Loss for the period attributable to owners of the Company		<u>(10,990)</u>	<u>(5,846)</u>
Loss and total comprehensive expenses for the period attributable to owners of the Company		<u>(10,990)</u>	<u>(5,846)</u>
Loss per share			
Basic and diluted (HK cents)	11	<u>(8.57)</u>	<u>(4.56)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*At 30 September 2023*

		30 September 2023	31 March 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current assets			
Plant and equipment		178	311
Deposits paid		<u>7,905</u>	<u>7,905</u>
		<u>8,083</u>	<u>8,216</u>
Current assets			
Other receivables	12	78,958	79,093
Cash and cash equivalents		<u>3,886</u>	<u>3,807</u>
		<u>82,844</u>	<u>82,900</u>
Current liabilities			
Other payables		16,836	14,838
Other borrowings	13	118,008	112,677
Tax payables		<u>734</u>	<u>734</u>
		<u>135,578</u>	<u>128,249</u>
Net current liabilities		<u>(52,734)</u>	<u>(45,349)</u>
Total assets less current liabilities		<u>(44,651)</u>	<u>(37,133)</u>
Non-current liabilities			
Convertible bond	14	<u>33,836</u>	<u>30,364</u>
		<u>33,836</u>	<u>30,364</u>
NET LIABILITIES		<u><u>(78,487)</u></u>	<u><u>(67,497)</u></u>
Equity			
Share capital		1,282	1,282
Reserves		<u>(79,769)</u>	<u>(68,779)</u>
TOTAL DEFICIT		<u><u>(78,487)</u></u>	<u><u>(67,497)</u></u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. GENERAL INFORMATION

Century Entertainment International Holdings Limited (the “**Company**”) was incorporated and domiciled in Bermuda with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company is G02, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The principal activities of the Company and its subsidiaries (together referred as the “**Group**”) are investment holdings, operating the gaming tables in Cambodia and the development of innovative intellectual properties and technological solutions in connection with AR/VR applications to clients.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is the same as the functional currency of the Group, rounded up to the nearest thousand, unless otherwise indicated.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2023.

These condensed consolidated financial statements have not been audited but has been reviewed by the Company’s audit committee.

(b) Going concern

In preparing the condensed consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its net current liabilities position as at 30 September 2023. The Group incurred a consolidated net loss after taxation attributable to owners of the Company of approximately HK\$10,990,000 for the six months ended 30 September 2023, and had consolidated net current liabilities of approximately HK\$52,734,000 as at 30 September 2023.

The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, and have taken the following measures to mitigate the liquidity pressure and to improve its cash flows:

1. The borrowings from Mr. Ng Man Sun (“**Mr. Ng**”), an executive Director, the chairman of the Board (the “**Chairman**”), the chief executive officer of the Company (the “**CEO**”) and a substantial shareholder of the Company, of HK\$60,008,000 was included in other borrowings of the Group;
2. Mr. Ng undertook that he will not call for repayment of the abovementioned sum;
3. Mr. Ng is willing to provide the Company with financial assistance to fill the shortfall of the Company’s working capital;
4. included in the other borrowings, there is a sum of HK\$58,000,000 due to independent third parties which are personally guaranteed by Mr. Ng; and
5. a convertible bond amounted to HK\$50,000,000 in principal is held by Mr. Ng and he is able to convert the convertible bond into equity shares subject to the compliance of the terms and conditions of the convertible bond and/or corresponding Listing Rules and Takeover Codes.
6. The Group entered into acquisition of eight gaming table business rights with a company controlled by Mr. Ng (the “**Acquisition**”). Details are set out in the announcement of the Company dated 27 February 2023. The completion of the Acquisition is subject to approval from independent shareholders of the Company. Up to the date of this announcement, the approval is not yet obtained and the Acquisition is not yet completed.

In addition, the Directors will use their best endeavours to take practicable and feasible actions to resolve the issue, including but not limited to the following:

1. The management will negotiate with creditors of the Group to propose debt reconstruction with the view to reducing the liabilities to the Group. The management has had internal discussion on the possible timeline and the negotiation terms and is currently seeking legal advice and further announcement will be published in due course.
2. The management will discuss with the holder of the convertible bond, that is, Mr. Ng, on the possibilities to convert the convertible bond into equity shares prior to the maturity date. As at the date of this announcement, the Company has yet to discuss with Mr. Ng on this issue.

Having taken into account of the abovementioned, the Directors opined that the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 September 2023 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

(c) Judgments and estimates

Preparing the condensed consolidated financial statements requires the Directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, significant judgments made by the Directors in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 March 2023.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The principal accounting policies used in the Condensed Financial Report are consistent with those adopted in the 2023 Annual Financial Statements, except for the adoption of the new or amended Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2023.

The adoption of the New and Revised HKFRSs has had no significant effect on these condensed consolidated financial statements for the six months ended 30 September 2023 and there have been no significant changes to the accounting policies applied in these condensed consolidated financial statements for the six months ended 30 September 2023.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive Directors) (“**CODM**”) in order to allocate resources to segments and to assess their performance.

During the six months ended 30 September 2023 and 30 September 2022, the Group's operating activities are attributable to two operating segments focusing on (i) gaming and entertainment related businesses; and (ii) AR/VR applications and mobile games solutions.

These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM. The following is an analysis of the Group's revenue and results by reportable and operating segments:

(a) Segment revenue and results

	Six months ended 30 September 2023 (Unaudited)		
	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	—	—	—
Segment profit/(loss)	—	—	—
Unallocated income			71
Unallocated corporate expenses			(6,185)
Unallocated finance costs			(4,876)
Loss before taxation			<u>(10,990)</u>

	Six months ended 30 September 2022 (Unaudited)		
	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	—	—	—
Segment profit/(loss)	11,407	(6,750)	4,657
Unallocated income			109
Unallocated corporate expenses			(5,683)
Unallocated finance costs			(4,929)
Loss before taxation			<u>(5,846)</u>

Segment profit/(loss) represents the profit/(loss) of each segment without allocation of central administration costs, directors' emoluments, other income and financial costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

The following table presents assets and liabilities of the Group's operating segments as at 30 September 2023 and 31 March 2023:

	30 September 2023 (Unaudited)			31 March 2023 (Audited)		
	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Total <i>HK\$'000</i>	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets						
Segment assets	<u>38,588</u>	<u>-</u>	<u>38,588</u>	<u>38,558</u>	<u>-</u>	<u>38,558</u>
Unallocated corporate assets			<u>52,339</u>			<u>52,558</u>
Consolidated total assets			<u>90,927</u>			<u>91,116</u>
Liabilities						
Segment liabilities	<u>-</u>	<u>734</u>	<u>734</u>	<u>-</u>	<u>734</u>	<u>734</u>
Unallocated corporate liabilities			<u>168,680</u>			<u>157,879</u>
Consolidated total liabilities			<u>169,414</u>			<u>158,613</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segment, other than unallocated deposits, prepayments and other receivables, bank balances and cash and other corporate assets; and
- All liabilities are allocated to operating segments, other than unallocated other payables and accruals and other corporate liabilities.

5. REVENUE

For the six months ended 30 September 2023, the Group did not generate revenue (six months ended 30 September 2022: Nil).

6. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	Six months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Bank interest income	71	–
Government subsidies (note)	–	108
Others	–	1
	<u>71</u>	<u>109</u>

Note:

The amount represented COVID-19-related subsidies which related to Employment Support Scheme provided by the Government of Hong Kong Special Administrative Region under the Anti-Epidemic Fund. Government subsidies have been recognised as other income on a systematic basis over the periods in which the Group recognises the staff costs for which the government subsidies are intended to compensate. The Group recognised as other income for the period as the Group fulfilled all the relevant granting criteria.

7. FINANCE COSTS

	Six months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Interest on other borrowings	1,404	1,404
Interest on convertible bonds	3,472	3,525
	<u>4,876</u>	<u>4,929</u>

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits	2,244	2,174
Contributions to defined contribution retirement plans	37	37
	<u>2,281</u>	<u>2,211</u>
(b) Other items		
Depreciation of plant and equipment	133	192
Amortisation of intangible assets	–	6,880
Expense related to short-term lease	11	16
	<u>11</u>	<u>6,896</u>

9. INCOME TAX CREDIT

Pursuant to the rules and regulations of Bermuda, British Virgin Islands (“BVI”) and Cambodia, the Group is not subject to any income tax in Bermuda, BVI and Cambodia.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2023 and 2022 as the Group had incurred losses for taxation purpose.

10. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share was based on the loss attributable to owners of the Company of approximately HK\$10,990,000 (six months ended 30 September 2022: HK\$5,864,000) and the weighted average number of 128,247,561 (30 September 2022: 128,247,561) ordinary shares in issue during the Period under Review.

(b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2023 and 30 September 2022 in respect of a potential dilution of share options and convertible bonds as the impact of the share options and convertible bonds had an anti-dilutive effect on the basic loss per share amounts presented.

12. OTHER RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Other receivables	95,237	95,237
Less: Allowance for expected credit losses	(16,764)	(16,764)
Other receivables, net	78,473	78,473
Rental and other deposits	340	176
	78,813	78,649
Prepayments	145	444
	78,958	79,093

13. OTHER BORROWINGS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Loan from a director (note a)	60,008	54,677
Other loans from independent third parties (note b)	58,000	58,000
	118,008	112,677

Notes:

- (a) Loan from a director, Mr. Ng, is unsecured, interest free and repayable on demand.
- (b) Other loans from independent third parties with an amount of HK\$30,000,000 (31 March 2023: HK\$30,000,000) are unsecured, interest free and repayable on demand.

The remaining amount of other loans from independent third parties of HK\$28,000,000 (31 March 2023: HK\$28,000,000) are unsecured, subject to interest at 10% p.a., and repayable on demand.

14. CONVERTIBLE BOND

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
CB – principal amount of HK\$50 million (note)	<u>33,836</u>	<u>30,364</u>
Analysis:		
Non-current liabilities	<u><u>33,836</u></u>	<u><u>30,364</u></u>

Note:

In November 2022, the Company completed the issue of convertible bond (“CB”) with principal amount of HK\$50 million to Mr. Ng for settlement of other borrowings. Such transaction was treated as equity transaction as Mr. Ng is shareholder of the Company. At issuance date of the CB, the fair value was determined to be approximately HK\$36,044,000.

The CB is unsecured and non-interest bearing. The holder of the CB will be able to convert the outstanding principal amount into ordinary shares of the Company at a conversion price of HK\$0.5 per conversion share until the maturity date at 30 September 2025. The CB is determined to be a compound financial instrument with a conversion option, that will or may be settled by an exchange of a fixed number of ordinary shares of the Company for a fixed amount of cash, being treated as equity. The liability components include host debt component (being the Company’s obligation to pay the principal amount of the convertible bonds on respective maturity dates if the convertible bonds are not converted or redeemed).

15. EVENTS AFTER REPORTING PERIOD

On 16 October 2023, the Company announced that the Company entered into a subscription agreement with the Mr. Ng, Mr. Ng has 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.

References are made to the announcement of the Company dated 16 October 2023 and circular of the Company dated 21 November 2023. The subscription is subject to approval from independent shareholders. Up to the date of this announcement, the approval was not yet obtained and the subscription is not yet completed.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

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

The Group recorded no revenue for the Period under Review and last year. The decrease in revenue was mainly attributable to the spread of COVID-19 and the imposed lockdown measures and temporary closure of all casinos in Cambodia affecting the gaming table business and also that the work on the re-opening of the gaming table was still in progress. Net loss for the Period under Review was approximately HK\$10.99 million, increasing approximately 88% as compared to approximately HK\$5.8 million for the corresponding period last year. The increase in loss was mainly due to (a) recognition of a reversal of impairment loss on accounts and other receivables of approximately HK\$9.4 million; and (b) recognition of a fair value gain on financial assets and financial liabilities at fair value through profit or loss of approximately HK\$2.1 million for the six months ended 30 September 2022.

Capital Structure

As at 30 September 2023, the Company's total number of issued shares was 128,247,561 (31 March 2022: 128,247,561) at HK\$0.01 each. The Group's consolidated net liabilities totalled approximately HK\$78 million, representing an increase of approximately HK\$10.99 million as compared to net liabilities of approximately HK\$67.5 million as at 31 March 2023.

Liquidity and Financial Resources

The Group adopts a prudent treasury policy. It finances its operations and investments with internal resources, cash revenues generated from operating activities and proceeds from equity fundraising activities.

As at 30 September 2023, the Group had total assets and net liabilities of approximately HK\$90.9 million (31 March 2023: approximately HK\$91.1 million) and approximately HK\$78.5 million (31 March 2023: approximately HK\$67.5 million) respectively, comprising non-current assets of approximately HK\$8.1 million (31 March 2023: approximately HK\$8.2 million) and current assets of approximately HK\$82.8 million (31 March 2023: approximately HK\$82.9 million). The Group also did not have any non-controlling interests (31 March 2023: Nil) and had current liabilities of approximately HK\$135.5 million (31 March 2023, approximately HK\$128.2 million).

As at 30 September 2023, the Group's gearing ratio, calculated as a ratio of total debt to total assets, was approximately 186.3% (31 March 2023: approximately 174.1%).

BUSINESS REVIEW

Business Overview

Since the border reopening earlier this year, the Cambodian government has stepped up its effort to attract foreign visitors, in an attempt to boost its local tourism industry and in turn, driving economic recovery. On this front, international tourist arrivals surged 211% year-on-year to 3.92 million visitors for the first nine months of 2023, signifying the positive momentum and promising outlook. Yet, in spite of the improving macroenvironment, the Cambodian government continued its efforts in regulating the gaming industry, maintaining its strong stance since the legislation of the gambling bill in 2021. Specifically, the bill heightened market entry barriers and operation requirements, such as increasing capital requirement for casino operators. Being a licensed gaming table operator in Cambodia, the Group believes the new regulation will strengthen its position and maintain its competitive edge against potential new competitors. Riding on the recovering sentiment in the gaming market, along with the strong rebound in the country's tourism industry, the Group aims to solidify its position and capture opportunities from the latest round of positive development.

During the Period under review, the Group continued to maintain effective communication with the Assignors and legal parties, in order to expedite the commencement of the eight-gaming table business (the “**Gaming Table Business Rights**”) from the signed agreements, where the Group will be entitled to 100% house win winnings and will bear 100% house losses, as well as the associated staff costs and taxes. Unfortunately, there has been a delay in releasing the circular, as additional time is required for the preparation of materials. The Group anticipates that the announcement will be dispatched by the end of fiscal year 2023/2024, with related operation starting to generate revenue in the upcoming year.

Gaming Table Business in Cambodia

In view of the burgeoning gaming market in Dara Sakor, Victor Mind Global Limited (“**VMG**”), a wholly-owned subsidiary of the Company, and Lion King Entertainment Company Limited (“**Lion King**”), the assignor (the “**Assignor**”) of the Gaming Table Business Rights and a company wholly-owned by Mr. Ng Man Sun (“**Mr. Ng**”), entered into the new assignment agreement on 27 February 2023. This agreement entails Lion King conditionally assigning the New Gaming Table Business Rights to VMG, with VMG agreeing to accept the assignment of eight gaming tables for a five-year term at a consideration of HK\$58 million. The settlement of this consideration will occur by offsetting the Group's owed amount from Mr. Ng and Lion King. These gaming tables, primarily focusing on baccarat, will be situated in the casino's mass market area at Dara Sakor, Koh Kong Province, Cambodia. The Group shall be entitled to 100% house win winnings and will bear 100% house losses, as well as the associated staff costs and taxes. According to the operational history of the new gaming tables from November 2021 to March 2022, it recorded an unaudited net revenue and net profit of approximately HK\$9.2 million and HK\$6.0 million, respectively. This track record instills confidence into the Group that taking charge of these gaming tables will bolster its overall profitability.

As additional time is required for preparing the information to be included, the despatch date of the circular is expected to be delayed further (as supplemented by the five announcements in relation to the delay in dispatch of circular dated 31 March 2023, 2 May 2023, 30 June 2023, 31 August 2023 and 29 September 2023). The Group will keep its shareholders and potential investors informed by the way of announcement as and when appropriate in accordance with the Listing Rules. The Group has been trying its best effort to expedite the process of completing the Assignment Agreement by late fiscal year 2023/2024, with the aim of reaping the financial benefits of the mass gaming tables starting from fiscal year 2024/2025. The Group remains optimistic about the pivotal role these new gaming tables will play in reinforcing and expanding its gaming business.

Augmented reality (“AR”)/Virtual reality (“VR”) entertainment

Despite the general market recovery, Explicitly Grand Investments Limited, a wholly-owned subsidiary of the Company, and its subsidiary companies (collectively known as the “**Explicitly Grand Group**”), have encountered difficulties in acquiring new clients and generating new orders. The worsening consumer confidence stemming from higher interest rates, together with the fierce market competition in the AR/VR products and services market, have altogether led to a substantial decline in demand for the Group’s offerings, putting pressure on its operation.

Amid growing market uncertainties, the Group continued to adopt a prudent strategy in managing the operations of the Explicitly Grand Group, while exploring restructuring options and alternative business prospects. The Group maintains a steadfast commitment to prioritizing its core gaming operations, striving for sustainable business growth.

Going Concern

In preparing the condensed consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its net current liabilities position as at 30 September 2023. The Group incurred a net loss attributable to owners of the Company of approximately HK\$10,990,000 for the six months ended 30 September 2023, and had net current liabilities of approximately HK\$52,734,000 as at 30 September 2023.

The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, and have taken the following measures to mitigate the liquidity pressure and to improve its cash flows:

1. The borrowings from Mr. Ng of HK\$60,008,000 was included in other borrowings of the Group;
2. Mr. Ng undertook that he will not call for repayment of the abovementioned sum;
3. Mr. Ng is willing to provide the Company with financial assistance to fill the shortfall of the Company’s working capital;
4. included in the other borrowings, there is a sum of HK\$58,000,000 due to independent third parties which are personally guaranteed by Mr. Ng; and
5. a convertible bond amounted to HK\$50,000,000 in principal is held by Mr. Ng and he is able to convert the convertible bond into equity shares subject to the compliance of the terms and conditions of the convertible bond and/or corresponding Listing Rules and Takeover Codes.
6. The Group entered into acquisition of eight gaming table business rights with a company controlled by Mr. Ng (the “**Acquisition**”). Details are set out in the announcement of the Company dated 27 February 2023. The completion of the Acquisition is subject to approval from independent shareholders of the Company. Up to the date of this announcement, the approval is not yet obtained and the Acquisition is not yet completed.

In addition, the Directors will use their best endeavours to take practicable and feasible actions to resolve the issue, including but not limited to the following:

1. The management will negotiate with creditors of the Group to propose debt reconstruction with the view to reducing the liabilities to the Group. The management has had internal discussion on the possible timeline and the negotiation terms and is currently seeking legal advice and further announcement will be published in due course.

2. The management will discuss with the holder of the convertible bond, that is, Mr. Ng, on the possibilities to convert the convertible bond into equity shares prior to the maturity date. As at the date of this announcement, the Company has yet to discuss with Mr. Ng on this issue.

Having taken into account of the abovementioned, the Directors opined that the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 September 2023 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

OUTLOOK AND PROSPECTS

Outlook

Despite global market fluctuations, Cambodia's economy enjoyed a notable rebound, primarily driven by the recovery of its tourism industry. The Cambodian government has implemented various initiatives to bolster this sector, including the construction of a new airport, the introduction of ecotourism, and the "Visit Cambodia Year 2023" campaign. With these initiatives in place, the Tourism Minister Thong Khon projects that the country will welcome over 5.6 million international tourists in 2024, and is poised to reach 7 million in 2025, surpassing the pre-COVID-19 pandemic level of 6.6 million in 2019. Alongside the rapid growth in the service industry, Cambodia's economy is expected to expand by 5.3% in 2023 and 6.0% in 2024, according to a report by the Asian Development Bank.

On the backdrop of such positive industry outlook, the Group will continue to focus on its core Gaming Table Business, and make every effort to expedite the circular dispatchment regarding the eight gaming tables, aiming to resume its business at the earliest possible. To further diversify risks and revenue streams, the Group has also been in active discussion to explore the opportunities of VIP gaming table business in Cambodia, as well as in the entertainment industry in the Southeast Asian region. To strengthen its financial position and reduce its debt exposure, the Group also entered into a subscription agreement with Mr. Ng on 16 October 2023, pursuant to which Mr. Ng has agreed to subscribe for the convertible bond with a principal amount of HK\$32,000,000. The subscription would allow the Company to settle part of the indebted amount, while retaining necessary capital in preparation for the eight new gaming tables by the end of the year. Overall, the Group remains cautiously optimistic for its future growth and development. The Group will also stay vigilant in its operations and strategy, so as to deliver sustainable value to its stakeholders.

Appreciation

The Board would like to take this opportunity to thank the management and staff for their contributions and support, and looks forward to sharing the Group's successes with them. It also wishes to express its gratitude to the Group's investors and shareholders for their trust and unwavering support, and will be fully committed to delivering long-term value and optimum returns to both parties.

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

FOREIGN EXCHANGE AND CURRENCY RISKS

It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimise currency risks. The principal businesses of the Group are conducted and recorded in Hong Kong dollars, United States dollars, Renminbi and Macau Patacas. As its exposure to foreign exchange fluctuation is minimal, the Group does not see the need for using any hedging tools.

EMPLOYEES AND REMUNERATION POLICY

The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined with reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2023.

CORPORATE GOVERNANCE

The Group continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Group and enhancing performance thereby, augmenting shareholders' value and benefiting our stakeholders at large.

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Listing Rules throughout the Period under Review with the exception of certain deviations as further explained below.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ng currently assumes the roles of both the Chairman and the CEO. The Board believes that the roles of the Chairman and CEO performed by Mr. Ng provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementation of the Company's business strategies. The Board will regularly review effectiveness of such arrangement.

Code provision F.2.2 of the CG Code provides that the chairman of the board should attend the annual general meeting (the "AGM").

Due to other business commitments, Mr. Ng, being the Chairman, was unable to attend the AGM held on 29 September 2023 where he arranged Ms. Ng Wai Yee, who is an executive Director and very familiar with the Group's business and operations, to attend and chair the AGM.

The Company periodically reviews its corporate governance practices and policy to ensure that they continue to meet the requirements of the CG Code, and acknowledges the important role of the Board in providing effective leadership and direction to the Company's business, and ensuring transparency and accountability of the Company's operations.

As such, the Company considers that sufficient measures have been in place to ensure that the Company's corporate governance practices and policy are no less exacting than the code provisions.

REVIEW OF RESULTS

The Group's condensed consolidated interim results for the six months ended 30 September 2023 have not been reviewed or audited by the external auditors of the Company, but have been reviewed by the audit committee of the Company (the "**Audit Committee**"), and the Audit Committee is of the view that the interim results of the Group for the six months ended 30 September 2023 were prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period under Review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company's securities.

Having made specific enquiries of all Directors, all Directors confirm that they had complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions throughout the Period under Review.

By Order of the Board
Century Entertainment International Holdings Limited
Ng Man Sun
Chairman and Chief Executive Officer

Hong Kong, 28 November 2023

As at the date hereof, Mr. Ng Man Sun (Chairman and Chief Executive Officer) and Ms. Ng Wai Yee are the executive Directors; and Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia are the independent non-executive Directors.