

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

- The Group recorded no revenue for the years ended 31 March 2024 and 2023.
- Net loss for the year ended 31 March 2024 amounted to approximately HK\$24.2 million, as compared to approximately HK\$62.5 million for the year ended 31 March 2023. The change in net loss for the year ended 31 March 2024 was mainly because there is no written-off/impairment loss on intangible assets, and impairment loss on accounts and other receivables, net of reversal decreased approximately by HK\$15.4 million.
- Loss per share for the year ended 31 March 2024 amounted to approximately HK\$18.88, as compared to loss per share amounted to approximately HK\$48.77 for the year ended 31 March 2023.
- The Group's net liabilities for the year ended 31 March 2024 amounted to approximately HK\$79.8 million, which was increased by approximately HK\$12.3 million as compared to net liabilities of approximately HK\$67.5 million for the year ended 31 March 2023.

The board (the “**Board**”) of directors (the “**Directors**”) of Century Entertainment International Holdings Limited (“**Century Entertainment**” or the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 March 2024 (the “**2024 Annual Results**”), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Revenue	<i>5</i>	–	–
Cost of sales		–	–
		<hr/>	<hr/>
Gross profit		–	–
Other income and gains	<i>6</i>	132	140
Written-off/impairment loss on intangible assets		–	(23,452)
Impairment loss on plant and equipment		–	(7)
Impairment loss on right-of-use assets		(2,470)	–
Impairment loss on accounts and other receivables, net of reversal		(572)	(15,996)
Fair value gain on financial assets and financial liabilities at fair value through profit or loss, net		–	2,118
General and administrative expenses		(10,804)	(16,941)
Finance costs	<i>7</i>	(10,495)	(8,411)
		<hr/>	<hr/>
Loss before taxation	<i>8</i>	(24,209)	(62,549)
Income tax credit	<i>9</i>	–	–
		<hr/>	<hr/>
Loss for the year attributable to the owners of the Company		(24,209)	(62,549)
		<hr/> <hr/>	<hr/> <hr/>
Loss and total comprehensive expense for the year attributable to owners of the Company		(24,209)	(62,549)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share			
– Basic and diluted (HK cents)	<i>11</i>	(18.88)	(48.77)
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		44	311
Right-of-use assets		–	–
Deposits paid		–	7,905
		<u>44</u>	<u>8,216</u>
Current assets			
Other receivables	12	86,461	79,093
Cash and cash equivalents		3,937	3,807
		<u>90,398</u>	<u>82,900</u>
Current liabilities			
Other payables	13	21,342	14,838
Other borrowings		88,684	112,677
Lease liabilities		1,230	–
Tax payables		734	734
		<u>111,990</u>	<u>128,249</u>
Net current liabilities		<u>(21,592)</u>	<u>(45,349)</u>
Total assets less current liabilities		<u>(21,548)</u>	<u>(37,133)</u>
Non-current liabilities			
Convertible bonds		58,014	30,364
Lease liabilities		214	–
		<u>58,228</u>	<u>30,364</u>
NET LIABILITIES		<u><u>(79,776)</u></u>	<u><u>(67,497)</u></u>
Equity			
Share capital		1,282	1,282
Reserves		(81,058)	(68,779)
TOTAL DEFICIT		<u><u>(79,776)</u></u>	<u><u>(67,497)</u></u>

1. GENERAL INFORMATION

Century Entertainment International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activity of the Company is investment holdings.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The annual results set out in the announcement do not constitute the Group’s consolidated financial statements for the year ended 31 March 2024 but are extracted from those consolidated financial statements. The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements also include applicable disclosure required by the Rules (the “**Listing Rules**”) Governing the Listing of Securities of the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance (the “**CO**”).

(i) Going Concern

In preparing the consolidated financial statements, the directors of the Company have considered the future liquidity of the Group in view of its recurring losses incurred, operating cash outflows and net current liabilities position at 31 March 2024 and no revenue generated during the year. The Group incurred a net loss attributable to the owners of the Company of approximately HK\$24,209,000 and had net cash outflows from operating activities of approximately HK\$6,893,000 during the year ended 31 March 2024. At the same date, the Group has net current liabilities of approximately HK\$21,592,000 and net liabilities of approximately HK\$79,776,000.

It is noted by the directors of the Company that Mr. Ng Man Sun (“**Mr. Ng**”), the executive director, Chairman, Chief Executive Officer and substantial shareholder of the Company undertook that he will not call for repayment of the convertible bonds with principal amount of HK\$50,000,000 and HK\$32,000,000 which due for repayment on 30 September 2025 and 30 December 2026, respectively and will further provide sufficient financial supports for the Group’s working capital for a period of at least 12 months until 30 June 2025. In addition, other borrowings from third parties amounted to HK\$39,037,000 are personally guaranteed by Mr. Ng. The management of the Group will also resume the gaming tables business which to be located in a new casino in Dara Sakor Investment Zone, Cambodia, subject to obtaining the shareholders approval for entering lease agreement of VIP room in the casino. Details are set out in the announcement dated 3 May 2024. The Group will continue to take active measure to control administrative costs and containment of capital expenditures. Having taken into account of the abovementioned, the directors of the Company adopted the going concern basis in the preparation of the consolidated financial statements.

In the opinion of the directors of the Company, in light of the aforesaid arrangement implemented to date, 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 of the Company are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 March 2024 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 carrying amounts 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 consolidated financial statements.

(ii) Historical cost basis of preparations

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied, for the first time, the Amendments to References to Conceptual Framework in HKFRSs and the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2023:

- HKFRS 17 and Amendments to HKFRS17, "Insurance Contract"
- Amendments to HKAS 1, "Classification of Liabilities as Current or Non-current and related Amendments to Hong Kong Interpretation 5 (2020)"
- Amendments to HKAS 1 and HKFRS Practice Statement 2, "Disclosure of Accounting Policies"
- Amendments to HKAS 8, "Definition of Accounting Estimates"
- Amendments to HKAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR

In June 2022, the HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which will be effective from 1 May 2025 (the "**Transition Date**"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("**MPF Benefits**") of an entity would no longer be eligible to offset against its obligations on long service payment ("**LSP**") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the "**Practical expedient**") to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPFLSP offsetting mechanism in HKSAR" (the "**Guidance**") which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a "simple type of contributory plans" to which the Practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 March 2023 or for the year then ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

Impacts on application of amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial position and performance but has affected the disclosure of the Group’s accounting policies set out in note 3 to the consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Amendments to HKFRSs issued but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet mandatorily effective:

- Amendments to HKFRS 10 and HKAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”¹
- Amendments to HKFRS 16, “Lease Liability in a Sale and Leaseback”²
- Amendments to HKAS 1, “Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)”²
- Amendments to HKAS 1, “Non-current Liabilities with Covenants”²
- Amendments to HKAS 7 and HKFRS 7, “Supplier Finance Arrangements”²
- Amendments to HKAS 21, “Lack of Exchangeability”³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of the amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

4. SEGMENT REPORT

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 years ended 31 March 2024 and 2023, the Group’s operating activities are attributable to two operating segments focusing on (i) gaming and entertainment related businesses; and (ii) AR/VR 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 revenues and results

For the year ended 31 March 2024

	Gaming and entertainment HK\$’000	AR/VR and mobile games solutions HK\$’000	Total HK\$’000
Segment revenue	—	—	—
Timing of revenue recognition Point in time	—	—	—
Segment loss	(196)	—	(196)
Unallocated income			132
Unallocated corporate expenses			(13,650)
Unallocated finance costs			(10,495)
Loss before taxation			(24,209)

For the year ended 31 March 2023

	Gaming and entertainment HK\$’000	AR/VR and mobile games solutions HK\$’000	Total HK\$’000
Segment revenue	—	—	—
Timing of revenue recognition Point in time	—	—	—
Segment loss	(40,919)	50	(40,869)
Unallocated income			140
Unallocated corporate expenses			(13,409)
Unallocated finance costs			(8,411)
Loss before taxation			(62,549)

Segment loss represents the loss of each segment without allocation of central administration costs, directors’ emoluments, other income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) **Segment assets and liabilities**

Segment assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gaming and entertainment	38,392	38,558
AR/VR and mobile games solutions	—	—
Total segment assets	38,392	38,558
Unallocated corporate assets	52,050	52,558
Consolidated total assets	<u>90,442</u>	<u>91,116</u>

Segment liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gaming and entertainment	—	—
AR/VR and mobile games solutions	734	734
Total segment liabilities	734	734
Unallocated corporate liabilities	169,484	157,879
Consolidated total liabilities	<u>170,218</u>	<u>158,613</u>

(c) **Other segment information**

For the year ended 31 March 2024

	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts include in the measure of segment profit or loss or segment assets:				
Depreciation of plant and equipment	—	—	267	267
Impairment losses on accounts and other receivables, net of reversal	196	—	376	572
Impairment loss on right-of-use assets	—	—	2,470	2,470
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:				
Interest income	—	—	132	132
Finance costs	—	—	10,495	10,495
Income tax credit	—	—	—	—

For the year ended 31 March 2023

	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts include in the measure of segment profit or loss or segment assets:				
Written-off/Impairment loss on intangible assets	23,452	–	–	23,452
Amortisation of intangible assets	4,690	–	–	4,690
Depreciation of plant and equipment	80	–	268	348
Impairment losses on accounts and other receivables, net of reversal	10,579	(50)	5,467	15,996
Fair value loss on financial assets and financial liabilities at FVTPL, net	2,118	–	–	2,118
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:				
Interest income	–	–	19	19
Finance costs	–	–	8,411	8,411
Income tax credit	–	–	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(d) Geographical information

The Group's revenue from external customers by geographical market is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	<u> </u>	<u> </u>

The Group's information about its non-current assets by geographical location of the assets is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	44	311
Cambodia	<u> </u>	<u>7,905</u>
Total	<u> </u>	<u>8,216</u>

5. REVENUE

An analysis of the Group's revenue is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Investment in VIP room and gaming table	–	–
Services income derived from AR/VR and mobile games solutions	–	–
	<u>–</u>	<u>–</u>

6. OTHER INCOME AND GAINS

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

	2024 HK\$'000	2023 <i>HK\$'000</i>
Bank interest income	132	19
Government subsidy (<i>note a</i>)	–	121
	<u>132</u>	<u>140</u>

Note:

- (a) During the year ended 31 March 2023, the Group recognised government subsidy of approximately HK\$121,000 in respect of COVID-19-related subsidy, which is related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. There are no unfulfilled conditions and other contingencies attached to the receipt of subsidy.

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	107	–
Interest on other borrowings	2,808	2,800
Interest on convertible bonds	7,580	5,611
	<u>10,495</u>	<u>8,411</u>

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Staff costs

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Directors' emoluments	1,493	1,802
Salaries, allowances and other benefits	2,556	2,457
Contributions to retirement benefits scheme (excluding contributions for directors)	50	56
	<u>4,099</u>	<u>4,315</u>

(b) Other items

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Depreciation of plant and equipment	267	348
Impairment loss on right-of-use assets	2,470	–
Amortisation of intangible assets	–	4,690
Auditor's remuneration	750	750
	<u>750</u>	<u>750</u>

9. INCOME TAX CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
Over provision in previous years	–	–
Deferred tax	–	–
	<hr/>	<hr/>
Income tax credit	–	–
	<hr/> <hr/>	<hr/> <hr/>

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

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group for its annual period beginning on or after 1 April 2018.

10. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2024 (2023: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share was based on the loss for the year attributable to owners of the Company of HK\$24,209,000 (2023: HK\$62,549,000) and the weighted average number of 128,247,561 (2023: 128,247,561) ordinary shares in issue during the years ended 31 March 2024 and 2023.

(b) Diluted loss per share

No adjustment has been made to basic loss per share amounts presented for the years ended 31 March 2024 and 2023 in respect of the 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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other receivables	85,806	78,473
Other deposits	330	176
	<hr/>	<hr/>
	86,136	78,649
Prepayments	325	444
	<hr/>	<hr/>
	86,461	79,093
	<hr/> <hr/>	<hr/> <hr/>

13. OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accruals and other payables	10,203	6,507
Interest payable	11,037	8,229
Advance from an independent third party	102	102
	<u>21,342</u>	<u>14,838</u>

14. EVENTS AFTER REPORTING PERIOD

On 3 May 2024, Wisdom Ocean Group Limited (“**Wisdom Ocean**”), a wholly-owned subsidiary of the Group, has entered into a casino agreement with LongBay Entertainment Co., Ltd. for the lease and operation of the VIP Rooms in Dara Sakor. The agreement is effective for a term of three years from the date of passing the relevant resolution at the special general meeting. Details are set out in the announcement dated 3 May 2024. Up to the date of this announcement, the special general meeting in relation to the approval had not been held yet.

In June 2024, the Group had entered into the offsetting arrangement with Mr. Ng to offset the balances included in “Other receivables” and “Other borrowings” between the Group and himself amounting to HK\$30,684,000. The remaining balance due from Mr. Ng will be repaid on 30 June 2025 as per agreement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE COMPANY’S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The auditor expressed a disclaimer opinion in the independent auditor’s report on the consolidated financial statements of the Group for the year ended 31 March 2024. The basis of disclaimer of opinion is extracted as follows:

BASIS FOR DISCLAIMER OPINION

Going Concern

As explained in note 3(b) to the consolidated financial statements, the Group incurred a net loss attributable to the owners of the Company of approximately HK\$24,209,000 and had net cash outflows from operating activities of approximately HK\$6,893,000 for the year ended 31 March 2024. At the same date, the Group had net current liabilities of approximately HK\$21,592,000 and net liabilities of approximately HK\$79,776,000.

The operation of the Group’s gaming and entertainment business (the “**Gaming Business**”) in Kingdom of Cambodia (“**Cambodia**”) was suspended from 1 April 2020 up to the date of this report.

In addition, the Group proposed to enter into a leasing agreement to rent a VIP room from a casino located in Cambodia (the “**Lease**”) to operate the Gaming Business. The Lease is subject to the approval of the regulatory bodies and shareholders of the Company. Details are set out in the announcements dated 3 May 2024, 27 May 2024 and 21 June 2024.

These conditions, along with other matters as set out in note 3(b) to the consolidated financial statements indicate that material uncertainties exist that may cast significant doubt on the group’s ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group’s liquidity and financial position which are set out in note 3(b) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to uncertainties, including:

- (i) successfully raising additional new sources of financing as and when needed, including the further undertaking by Mr. Ng not to demand for the payment of the amount due to him of convertible bond with principal amount of HK\$50,000,000 and HK\$32,000,000 which will be due for repayment on 30 September 2025 and 30 December 2026, respectively and will further provide sufficient financial supports for the Group's working capital for a period of at least 12 months until 30 June 2025. In addition, other borrowings from third parties amounted to HK\$39,037,000 are personally guaranteed by Mr. Ng; and
- (ii) resuming the gaming table business which to be located in a new casino in Dara Sakor Investment Zone, Cambodia, subject to obtaining regulatory body and shareholder approval for the Lease. Up to the date of this report, the approval had not been obtained yet. And, the actual financial performance of the gaming table business in the future may not be able to meet the forecast result projected by the management of the Group.

We have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of evidence provided by management in relation to (i) the financial ability of Mr. Ng to provide financial support to the Group, and (ii) the underlying data and assumptions supporting forecasted result of the new gaming business operation in Cambodia in its going concern assessment which take into account the uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Any adjustment found to be required may have consequential significant effects on the consolidated net liabilities off the Group as at 31 March 2024 and the consolidated loss and total comprehensive expense and cash flows of the Group for the year ended 31 March 2024, and the related elements and disclosures thereof in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors hereby report the audited consolidated annual results of the Group for the year ended 31 March 2024. The 2024 Annual Results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL REVIEW

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 AR/VR applications to clients.

The Group recorded no revenue for the years ended 31 March 2024 and 2023. The decrease in revenue was mainly attributable to the spread of COVID-19 and the temporary closure of all casinos in Cambodia since 1 April 2020 affecting the gaming table business and also that the work on the re-opening of the casino is still in progress. Net loss for the year ended 31 March 2024 was approximately HK\$24.2 million, decreasing approximately 61.3% as compared to approximately HK\$62.5 million last year. The change in net loss for the year ended 31 March 2024 was mainly because there is no written-off/impairment loss on intangible assets and impairment loss on accounts and other receivables, net of reversal decreased approximately by HK\$15.4 million.

Capital Structure

As at 31 March 2024, the Company’s total number of issued shares was 128,247,561 at HK\$0.01 each (31 March 2023: 128,247,561 at HK\$0.01 each). The Group’s consolidated net liabilities totalled approximately HK\$79.8 million, representing an increase of approximately HK\$12.3 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 31 March 2024, the Group had total assets and net liabilities of approximately HK\$90.4 million (2023: approximately HK\$91.1 million) and HK\$79.8 million (2023: approximately HK\$67.5 million), respectively, comprising non-current assets of approximately HK\$0.04 million (2023: approximately HK\$8.2 million) and current assets of approximately HK\$90.4 million (2023: approximately HK\$82.9 million). The Group also did not have any non-controlling interests (2023: Nil), current liabilities of approximately HK\$112.0 million (2023: approximately HK\$128.2 million) and non-current liabilities of HK\$58.2 million (2023: approximately HK\$30.4 million).

The Group’s gearing ratio as at 31 March 2024, calculated as a ratio of total debt to total assets, was approximately 188.3% (2023: 174.1%). As at 31 March 2024, the Group had cash and cash equivalents of approximately HK\$3.9 million (2023: approximately HK\$3.8 million).

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 and United States dollars. As its exposure to foreign exchange fluctuation is minimal, the Group does not see the need for using any hedging tools.

Business Overview

Cambodia has shown promising signs of recovery during the Year, fuelled by the resurgence of the tourism industry. In 2023, Cambodia attracted 5.43 million of international tourists, which is a remarkable 139% increase from the previous year of 2.27 million, according to the Ministry of Tourism of Cambodia. The substantial growth in arrivals highlights the strong upward momentum of Cambodia's economic revival, and riding on such opportunity, the Cambodian government pursued a more regulated operating environment, in order to ensure the sustainable development of the economy. Hence, the Cambodian government has maintained a stringent stance on gaming licenses following the resumption of casino operations. For example, on 19 February 2024, the Commercial Gambling Management Commission of Cambodia issued an instruction titled "Strengthening the Management of Game-of-Chance Operations", aiming to curb illegal gaming activities that have proliferated in the country. The Group believes this will create a healthier market environment for casino operators with the necessary operating licenses, affiliated services, and extensive market experience, as there will be less competition and potentially attract more gamers due to better user experience.

During the Year under review, the Group strived to resume its gambling operations by expediting the launch of its gaming table business in the mass gaming area in Dara Sakor. Unfortunately, the Gaming Table Business Rights agreements were ultimately terminated under fair and reasonable terms, despite notable efforts in finding various solutions. After the termination, the Group has swiftly entered into a new casino agreement in May 2024 for the lease and operation of the higher-margin VIP rooms for a period of three years, effective upon the approval at the special general meeting ("SGM"), aiming to capture the potential opportunities from the growing tourism sector. With the VIP rooms scheduled to be opened in early September, the Group is cautiously optimistic about its revenue contributions starting from the second half of 2024 and onwards. The Group will keep a keen eye on the latest market development, and will maintain its proactive communication with shareholders and other stakeholders should further development and opportunities arise.

Gaming Table Business in Cambodia

Victor Mind Global Limited ("VMG"), a wholly-owned subsidiary of the Company, entered into the new assignment agreement (the "**New Assignment Agreement**") on 27 February 2023 with Lion King Entertainment Company Limited ("**Lion King**"), pursuant to which, Lion King would conditionally assign the New Gaming Table Business Rights to VMG, while VMG would agree to accept the assignment of eight gaming tables for a five-year term at a consideration of HK\$58 million. Despite numerous efforts in due diligence and exploring agreeable solutions, the parties were unable to come to a fruitful result, as the conditions precedent before the long stop date of 31 December 2023 were not fully satisfied. Given the potentially ongoing challenges, the parties have since agreed to mutually terminate the agreement. As no compensation is required for the termination, the Group does not anticipate any material impact on its operation and finances, and believes the termination terms are fair and reasonable under the circumstances.

To fast-track its gaming business development, the Group has actively engaged in negotiations with LongBay Entertainment Co., Ltd. (“**LongBay Entertainment**”) to establish a direct lease agreement for the operation of gaming activities within the VIP Rooms. On 3 May 2024, Wisdom Ocean Group Limited (“**Wisdom Ocean**”), a wholly-owned subsidiary of the Group, has entered into a casino agreement (“**Casino Agreement**”) with LongBay Entertainment for the lease and operation of the VIP Rooms in Dara Sakor. The agreement is effective for a term of three years from the date of passing the relevant resolution at the SGM. According to the agreement, Wisdom Ocean will oversee the VIP room gaming activities, with a focus on baccarat across seven gaming tables in a 650-square-meter space, whereas LongBay Entertainment will be responsible for licensing, operational expenses, and dealer provision, allowing the Group to concentrate on enhancing customer experience. The monthly rent is set at US\$35,000, and 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.

The Group is confident that the VIP room will yield higher margins and aims to open its doors in early September, generating revenue before the end of 2024. With the promising development and tourism appeal of Dara Sakor, the Board anticipates a steady stream of revenue, which will strengthen the Group’s financial performance and strengthen its market position.

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

Despite the general market recovery, Explicitly Grand Investments Limited, along with its subsidiary companies (collectively known as the “**Explicitly Grand Group**”), have faced challenges in attracting new clients and securing orders. The intense market competition in the AR/VR products and services sector has reduced demand for the Group’s offerings, exerting pressure on its operations.

Amidst the rising market uncertainties, the Group has maintained a cautious approach to manage the operations of the Explicitly Grand Group. Simultaneously, the Group has been actively exploring restructuring options and alternative business prospects. Allowing the Group to prioritize its core gaming operations and pursue long-term business growth.

Outlook

The Cambodian government has made significant efforts to attract foreign tourists by focusing on improving political stability, enhancing road infrastructure, increasing direct flights with other countries, as well as reopening its major tourism services. These initiatives, coupled with the recent inauguration of the Chinese-invested Siem Reap Angkor International Airport, are expected to contribute to a notable increase in tourist arrivals. The Ministry of Tourism, Cambodia has projected that the Kingdom will welcome 6.6 million international visitors in 2019, with an estimated 7 million tourists expected by 2025, exceeding its pre-COVID-19 level. This positive outlook indicates a gradual recovery in the tourism and services industry, which in turn, is expected to support Cambodia’s overall economic revival. According to the Asian Development Bank’s economic report, Cambodia’s economy is set to expand by 5.8% in 2024, driven by a resurgence in tourism and robust manufacturing prospects. The report also predicts a growth rate of 6.0% in 2025, indicating sustained economic progress for Cambodia.

In light of these favourable market conditions, the Group is well-positioned to capitalize on the emerging opportunities within the Cambodian gambling landscape. Leveraging its extensive experience in the gaming industry in Cambodia, the Group will harness its expertise to drive business growth through the targeted opening of the VIP room business in early September. Furthermore, the Group is actively exploring investment opportunities in the entertainment technology segment, aiming to mitigate business risks while tapping into additional entertainment prospects. Looking beyond Cambodia, the Group will closely monitor the developments in neighbouring Thailand, where plans to legalise casinos are underway. This presents a compelling opportunity for geographic expansion, and the Group will be well-prepared to adapt its strategy accordingly to seize emerging market dynamics. Despite the prevailing uncertainties, the Group remains cautiously optimistic and steadfast in its commitment to delivering sustainable returns to its shareholders.

Environmental Policy

The Group has devoted its greatest efforts in promoting conservation and environmental sustainability. Our environmental strategy is to achieve a balance between the quality and efficiency of our services and the minimization of greenhouse gas emissions and environmental degradation. Accordingly, Energy efficient lightings have been installed in the office to reduce energy consumption and the Group has also continuously monitored its waste and paper consumption such as use of recycled paper and double-sided printing.

Details of the environmental, social and governance practices adopted by the Group are set out in the Environmental, Social and Governance Report which will be published as a separate report on the websites of the Company and the Stock Exchange at the same time of publication of the annual report of the Company for the year ended 31 March 2024.

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations. The work of our Board and the Board committees, in particular the compliance committee of the Company (the “**Compliance Committee**”), contributes to our commitment to compliance efforts. During the year ended 31 March 2024, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

Relationship with Employees

The Group actively manages its employee relations on which its success depends. The Group believes that developing superior human resources with knowledge, skill and experience is essential to the achievement of its objectives. Specifically, the Group provides in-house training, subsidy for attending seminars and encourages sharing of ideas through employees’ meeting. These training and development enable the Group to enhance improvement in the knowledge and skills needed from the employees as they become one of the key strengths of the Group.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 March 2024, the Group employed 5 permanent employees in Hong Kong. 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 by reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong, and provides employees with medical insurance coverage.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: Nil). There was no interim dividend payment during the year ended 31 March 2024.

INVESTOR RELATIONS

The Group believes that maintaining active communication and operational transparency is vital to building good investor relations. During the year ended 31 March 2024, the Group had retained a professional public relation company to maintain continuous communication with various investors and held meetings regularly with analysts and institutional investors from around the world, if appropriate.

CORPORATE GOVERNANCE PRACTICES

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 C1 to the Listing Rules during the year ended 31 March 2024 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 Man Sun currently assumes the roles of both the chairman (the “**Chairman**”) of the Board and chief executive officer (the “**CEO**”) of the Company. The Board believes that the roles of 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 Man Sun, being the Chairman, was unable to attend the AGM of the Company held on 29 September 2023. He had arranged Ms. Ng Wai Yee, who was 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.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yuen Sing Wai Lester, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Mr. Yuen Sing Wai Lester who has substantial accounting and related financial management expertise.

The main duties of the Audit Committee are to review, monitor and provide supervision over the Company's financial reporting process, risk management and internal control system, perform corporate governance duties delegated by the Board and maintain an appropriate relationship with the Company's auditor. The roles and functions of the Audit Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Compliance Committee

The Compliance Committee comprises Mr. Ng Man Sun (chairman), an executive Director, Mr. Yuen Sing Wai Lester, an independent non-executive Director, and Mr. Man Yun Wah, the company secretary of the Company.

The main duties of the Compliance Committee are to formulate, review, approve, and monitor the Company's policies and practices on compliance with legal and regulatory requirements, supervise the implementation and monitor the efficiency and effectiveness of the compliance management system. The roles and functions of the Compliance Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Remuneration Committee

The remuneration committee of the Company (the "**Remuneration Committee**") comprises Ms. Yeung Pui Han, Regina (chairlady) and Ms. Sie Nien Che, Celia, both are independent non-executive Directors Mr. Ng Man Sun (chairman). The Company has complied with the chairman requirement and majority requirement of the Remuneration Committee members under Rule 3.25 of the Listing Rules.

The main duties of the Remuneration Committee are to, among others, review the Company's policy and remuneration structure, approve the management's remuneration by reference to corporate goals and objectives of the Company, recommend to the Board on the remuneration packages of the independent non-executive Directors, review and determine the remuneration packages for the executive Directors with delegated responsibility according to the model set out in code provision E.1.2(c)(i) of the CG Code and review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules as adopted by the terms of reference of the Remuneration Committee. No Director will determine his/her own remuneration. The roles and functions of the Remuneration Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Nomination Committee

The nomination committee of the Company (the “**Nomination Committee**”) comprises Mr. Ng Man Sun (chairman), an executive Director, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, both are independent non-executive Directors. The Company has complied with the chairman requirement and the majority requirement of Nomination Committee members under Rule 3.27A of the Listing Rules.

The main duties of the Nomination Committee are to review the structure, size and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board, make recommendations on the selection of individual to act as a Director and on appointment or re-election of Directors to complement the corporate strategy of the Company, and assess the independence of the independent non-executive Directors. The roles and functions of the Nomination Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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 have confirmed that they have complied with the required standard as stated in the Model Code regarding securities transactions throughout the year ended 31 March 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the financial year ended 31 March 2024.

EVENTS AFTER THE REPORTING DATE

On 3 May 2024, Wisdom Ocean, a wholly-owned subsidiary of the Group, has entered into the Casino Agreement with LongBay Entertainment Co., Ltd. for the lease and operation of the VIP Rooms in Dara Sakor. The agreement is effective for a term of three years from the date of passing the relevant resolution at the special general meeting. Details are set out in the announcement dated 3 May 2024. Up to the date of this announcement, the special general meeting in relation to the approval had not been held yet.

In June 2024, the Group had entered into the offsetting arrangement with Mr. Ng to offset the balances included in “Other receivables” and “Other borrowings” between the Group and himself amounting to HK\$30,684,000. The remaining balance due from Mr. Ng will be repaid on 30 June 2025 as per agreement.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners CPA Limited on this preliminary announcement.

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

Hong Kong, 25 June 2024

As at the date of this announcement, Mr. Ng Man Sun (Chairman and Chief Executive Officer) is the executive Director; and Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia and Mr. Yuen Sing Wai Lester are the independent non-executive Directors.