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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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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)

MAJOR TRANSACTION ENTERING INTO OF THE CASINO AGREEMENT AND NOTICE OF SPECIAL GENERAL MEETING

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 4 to 17 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 Monday, 30 September 2024, at 3:00 p.m. (or at such time immediately after the conclusion of the annual general meeting of the Company to be held at 2:30 p.m. on the same day and at the same place, or as the case may be, any adjourned meeting thereof) is set out on pages 28 to 29 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.

4 September 2024

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DEFINITIONS

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

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| “AML” | anti-money laundering |
| “associates” | has the same meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Cambodia” | the Kingdom of Cambodia |
| “Casino” | the casino in the LongBay Century Hotel, which is located at Block 88, Long Bay District, Dara Sakor, Koh Kong Province |
| “Casino Agreement” | the VIP Rooms lease and operation agreement dated 3 May 2024 and entered into between Wisdom Ocean Group Limited, a wholly-owned subsidiary of the Company and LongBay Entertainment |
| “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) |
| “Director(s)” | the director(s) of the Company |
| “Gaming Business” | the operation and management of the VIP Rooms for a period of three years effective from the date of passing the relevant resolution at the SGM to approve the Casino Agreement |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HKFRS” | Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

DEFINITIONS

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|----------------------------|---|
| “Latest Practicable Date” | 29 August 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular |
| “Lion King” | Lion King Entertainment Company Limited |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “LongBay Entertainment” | LongBay Entertainment Co., Ltd., a company incorporated in Cambodia with limited liability |
| “Mr. Ng” | Mr. Ng Man Sun, an executive director, chairman and chief executive officer of the Company, and a substantial Shareholder |
| “New Assignment Agreement” | the agreement dated 27 February 2023 and entered into among Lion King, VMG and Mr. Ng for the assignment of the new gaming table business rights |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Casino Agreement and the transactions contemplated thereunder |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Shares” | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Termination Agreement” | the termination agreement dated 31 December 2023 and entered into among Lion King, VMG and Mr. Ng to terminate the New Assignment Agreement immediately |
| “Termination Announcement” | the announcement of the Company dated 31 December 2023 in relation to the termination of the very substantial acquisition and connected transaction |

DEFINITIONS

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|-------------|---|
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “VIP Rooms” | two casino VIP rooms located at the Casino in Long Bay Century Hotel, which is located at Block 88, Long Bay District, Dara Sakor, Koh Kong Province, Cambodia with total gross floor area of approximately 650 square meters |
| “VMG” | Victor Mind Global Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company |
| “%” | per cent. |

LETTER FROM THE BOARD



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*)

Independent non-executive Directors:

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

Mr. Yuen Sing Wai Lester

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

4 September 2024

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION
ENTERING INTO OF THE CASINO AGREEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 3 May 2024 in relation to the Casino Agreement.

The purpose of this circular is to provide you with, among other things, (i) further information on the Casino Agreement and the transactions contemplated thereunder; and (ii) a notice of the SGM.

LETTER FROM THE BOARD

THE CASINO AGREEMENT

Following the termination of the New Assignment Agreement, the Group intends to continue to carry on casino and gaming business as the principal business of the Group. The Board is pleased to announce that on 3 May 2024 (after trading hours), Wisdom Ocean Group Limited, a wholly-owned subsidiary of the Company, entered into the Casino Agreement with LongBay Entertainment. The principal terms of the Casino Agreement are set out in the below:

- Date: 3 May 2024 (after trading hours)
- Parties: (i) Wisdom Ocean Group Limited, a wholly-owned subsidiary of the Company, as the lessee; and
- (ii) LongBay Entertainment, as the lessor.

To the best knowledge, information, and belief of the Directors after having made all reasonable enquiries, LongBay Entertainment and its ultimate beneficial owner are independent third parties of the Group and its connected persons (as defined in the Listing Rules).

- Property: The VIP Rooms
- Use of property: The Company will carry out gaming activities at the VIP Rooms. The gaming activities will take place only in Cambodia and outside Hong Kong.
- Term: Three years effective from the date of passing the relevant resolution at the SGM to approve the Casino Agreement.
- Gross floor area: Approximately 650 square meters with seven gaming tables
- Rent: US\$35,000 per calendar month
- Deposits: Nil
- Payment terms: The rent shall be payable monthly in cheque or cash in advance on the first day of each calendar month. If the rent is overdue for more than seven days, the lessee shall pay the penalty with an interest rate of 15% per annum in cash or cheque.

LETTER FROM THE BOARD

Renewal: The lessee has the first right of refusal to renew the Casino Agreement for further three years on the condition that the lessee is in full compliance with the terms of the Casino Agreement. If the Casino Agreement is agreed to be renewed, both parties should enter into the lease agreement two months prior to the expiry of the original lease term.

Rights and expenses: LongBay Entertainment will be responsible for (i) the provision of the relevant valid gaming license required for operation; (ii) the operating expenses which cannot be individually separated from the casino and are required for the operation of the VIP Rooms, such as utilities fees, sanitation charges and air-conditioning charges; and (iii) the dealers of the gaming tables. Currently, the casino license of LongBay Entertainment's gaming license is valid until 31 December 2026 and subject to renewal upon its expiry.

The Group shall be entitled to 100% house win winnings and responsible for 100% house losses, and shall bear the relevant staff costs and taxes associated with such gaming business.

Termination: LongBay Entertainment is entitled to terminate the Casino Agreement if LongBay Entertainment discovered that the Company has breached the laws of Cambodia in its Gaming Business operations, such as fraud, taking hostages, restricting personal freedom, telecommunication frauds, not honoring customer's wins, or damaging reputations.

Otherwise, LongBay Entertainment is not entitled to terminate the Casino Agreement.

If the Casino cannot continue to operate gaming business due to reasons of the local government or the casino license of LongBay Entertainment is revoked by the government, or the agreement cannot be performed due to force majeure, the Casino Agreement is considered to be terminated and no party will have any claim against the others. The termination is treated as the Casino Agreement has been expired.

Condition precedent: The Casino Agreement is conditional upon the obtaining of the Shareholders' approval in accordance with the Listing Rules. Save for the above, no other regulatory approvals are required.

As at the Latest Practicable Date, the above mentioned condition is yet to be fulfilled.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CASINO AGREEMENT

As disclosed in the Termination Announcement, the Company has entered into the Termination Agreement with Lion King and Mr. Ng to terminate the New Assignment Agreement because the Company was unable to obtain the full underlying books and records for the preparation of the profit and loss statement on the identifiable net income stream in relation to the new gaming table business rights under the New Assignment Agreement as required under Rule 14.69(4)(b)(i) of the Listing Rules. In order to resume the Group's gaming business, the Company started to negotiate with LongBay Entertainment to directly lease the VIP Rooms from LongBay Entertainment for operation of gaming business. The VIP Rooms are located at Dara Sakor, Koh Kong Province, Cambodia, which is one of the most rapidly developing districts in Cambodia and a well-known tourism destination in Southeast Asia with attractive potential on the gaming market. According to the latest design and construction of the VIP Rooms, the Company will operate only baccarat on all the seven gaming tables in the VIP Rooms. The Directors expect that the gaming business in the area will have good prospects. The Board believes that the entering into of the Casino Agreement would resume the Group's gaming business and generate stable revenue for the Group and therefore improve its financial performance and financial position.

The Company sees potential in the gaming industry in Cambodia. In March 2022, the Ministry of Tourism of Cambodia has announced the reopen for fully vaccinated travellers without quarantine and the Visa on Arrival service have been resumed. In July 2022, the policies were further eased such that all passengers unvaccinated or partially vaccinated are no longer required to undergo the quarantine when entering Cambodia. According to the website of the Ministry of Tourism of Cambodia (<https://tourismcambodia.org/official-activities/foreign-tourist-arrivals-increase-140-percent-in-2023>), in 2023, a total of 5.43 million international tourists visited Cambodia, representing an increase of 139.5% from 2.27 million for 2022. According to the website of the Ministry of Information of Cambodia (<https://www.information.gov.kh/articles/124332>), foreign tourism revenue surged to US\$3.04 billion in 2023, representing an increase of 115% from US\$1.41 billion in 2022. According to the Ministry of Tourism of Cambodia, the number of foreign visitors to Cambodia is predicted to reach 7 million by 2025, surpassing the pre-COVID-19 pandemic level of 6.6 million in 2019. In particular, the increasing direct flights from abroad to Cambodia with new air routes created and the new airport in Siem Reap province have facilitated passengers to travel to Cambodia. In addition, Cambodia has a 450-kilometre-long pristine coastline stretching across four southwestern provinces of Preah Sihanouk, Kampot, Kep and Koh Kong, which attracts tourists for natural attractions. In view of the foreseeable recovery and growth of tourism in Cambodia, the Company considers that it is the right time for the Company to resume the gaming business. The Company also sees attractive potential in the gaming market in Dara Sakor, Koh Kong Province, which is one of the most rapidly developing districts in Cambodia and is a well-known tourism destination in Southeast Asia. With its new airport of Dara Sakor in its final stages of construction, it is expected that tourism in Dara Sakor will significantly boost in the future. Given the above, the Company considers there will be significant prospect for operating the Gaming Business in Cambodia.

LETTER FROM THE BOARD

For the operation of the Gaming Business, the Company has entered into a total of 11 rolling junket arrangement with rolling junkets, pursuant to which each rolling junket will provide promotional services and recruit customers to the VIP Rooms and commit a minimum amount of rolling chip to be purchased per month (the “**Committed Amount**”). There is no definite terms for the rolling junket arrangements. The Company will pay commission to each rolling junket which is determined as a fixed percentage ranging from 1.3% to 1.4% to the amount of chips they purchased from the VIP Rooms. The rolling junkets shall use their best endeavor to promote the VIP Rooms and the Gaming Business so as to meet the Committed Amount. If the rolling junkets could not fulfil their Committed Amount in a particular month, they will not be entitled to the commissions for the month, and the Company shall have the sole and absolute discretion to terminate the rolling junket arrangement by giving a 10 days’ notice in writing, or to negotiate in good faith with the rolling junket for a reduction in commission to be paid to him or her in the following month. In addition, if they could not fulfil their respective aggregate Committed Amount in three consecutive months, they will reimburse the Company for the profit that could be generated from the shortfall amount, which will be calculated by the amount of shortfall of the Committed Amount times the expected win rate of the Company of 3.2%, which was determined with reference to the win rates of six Hong Kong listed companies. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, all of the rolling junkets are third parties independent of the Company and its connected persons.

In respect of the daily operations of the Gaming Business, the Company shall be responsible for the operation and management of all the VIP Rooms and be entitled to 100% house winnings and responsible for 100% house losses. The Company will also ensure that games played in all the VIP Rooms are conducted in an orderly manner, without involvement of any fraud. The gross gaming revenue of the Group is the aggregate net difference between gaming wins and losses, and the net profit of the Group will be arrived after deducting the commission payable to the rolling junkets, the staff costs for the operation of the VIP rooms, the monthly rental payable to LongBay Entertainment, and the gaming tax of 7%.

Mr. Ng, the chairman and chief executive officer of the Company, is well-known amongst the Macau casino business and is the founding chairman of the Association of Casino intermediaries of Macau. In addition to Mr. Ng, the Gaming Business is expected to be managed by experienced employees with expertise in gaming, accounting, marketing and business administration, strong customer knowledge and relations and close understanding of VIP players who have a proven track record in Southeast Asia. Currently, the Company has hired nine employees for the operation of the VIP Rooms, which includes one operation manager, two treasury supervisors, four public relations and two cage assistants. All of the employees are experienced in the gaming industry. The Company believes that such seasoned management team would contribute to the continuing success of the Group’s Gaming Business.

LETTER FROM THE BOARD

The terms and the rent payable under the Casino Agreement were determined after arm's length negotiation between the Company and LongBay Entertainment with reference to the prevailing market rent of similar casino VIP rooms in Cambodia based on the experience of Mr. Ng, who possess years of experience in the Macau casino business, as well as verbal enquiries on two casinos which are located in hotels in Sihanoukville, Cambodia as there is no other casino in Long Bay and there is no relevant public information available. Based on the enquires, the two casinos are currently leasing gaming table in VIP rooms of their casino for a monthly fee of US\$15,000 and US\$13,000 per table, respectively. After considering the rent per gaming table under the Casino Agreement represents discount to the market rent, the location of the Casino and its development potential, the Directors consider the rent under the Casino Agreement is fair and reasonable.

The Casino Agreement did not require the Company to maintain any minimum amount of capital and the Company will only be responsible for the rental costs payable to LongBay Entertainment as well as the relevant commission, staff costs and taxes associated with the gaming business in the VIP Rooms. As there is no capital investment on the part of the Company, although the casino license of LongBay Entertainment is due to expire prior to the term of the Casino Agreement, the Board considers that the duration of the Casino Agreement is fair and reasonable. To the best of the Directors' knowledge and information, there is no legal impediment for LongBay Entertainment to renew its casino license. Nevertheless, the Company may consider to take action against LongBay Entertainment in the case that the Casino cannot continue to operate gaming business due to the casino license of LongBay Entertainment is revoked by the government as a result of the wrongdoing of LongBay Entertainment, such as demanding LongBay Entertainment to indemnify the Company for the profit that the Company could generate for the remaining months under that Casino Agreement. The Company will use its internal resources to pay the rent under the Casino Agreement. If there is working capital requirement of the Group, Mr. Ng will undertake to provide financial supports to the Group for its business operations.

For due diligence, the Company has (a) conducted site visit to in January 2024 and confirmed the hotel exists and with visitors staying in the hotel; (b) obtained operation data of LongBay Century Hotel in 2023, including the number of tourist and occupancy rate of the hotel; (c) conducted searches online and noted that the rooms of the hotel could be reserved online on various travel agency websites; and (d) enquired to the Cambodia lawyer and was advised that the hotel does not require special permit, certificate or approval to allow a casino to operate in it.

The Directors consider that the terms of the Casino Agreement are on normal commercial terms which are fair and reasonable, and that the entering into of the Casino Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

RISKS RELATING TO THE GAMING BUSINESS, OPERATIONS AND THE GAMING INDUSTRY IN CAMBODIA

The winning of the players could exceed the Gaming Business's winnings

Revenue of the Gaming Business is mainly derived from the difference between the Gaming Business's winnings and the winnings of its players. Since there is an inherent element of chance in the gaming industry, the Gaming Business does not have full control over the Gaming Business's winnings or the winnings of its players. If the Gaming Business's winnings are less than the winnings of its players, it may record a loss from its gaming operations, and its business, financial condition and results of operations could be materially and adversely affected.

Theoretical win rates for the Gaming Business's operations depend on a variety of factors, some of which are beyond the Company's control

The gaming industry is characterized by an element of chance. In addition to the element of chance, theoretical win rates are also affected by other factors, including players' skill and experience, the financial resources of players, the spread of table limits, the volume of bets placed by our players and the amount of time players spend on gambling – thus the Gaming Business's actual win rates may differ greatly over short time periods and could cause our results to be volatile. These factors, alone or in combination, have the potential to negatively impact the Gaming Business's win rates, and our business, financial condition and results of operations could be materially and adversely affected.

Business uncertainties and short operating history

It may be difficult for the Gaming Business to prepare for and respond to the significant business, economic, regulatory and competitive uncertainties and contingencies frequently encountered by the Group in competitive environments compared to a company with a longer operating history. If these risks are not managed successfully, it could have a material and adverse effect on the results of operations, financial performance and business of the Gaming Business.

The operation of the Gaming Business is dependent on the Casino Agreement, the termination of which could have a material adverse effect on the Gaming Business

The VIP Rooms are owned by LongBay Entertainment and leased to the Company to operate and manage the VIP Rooms pursuant to the Casino Agreement. As such, the termination of the Casino Agreement could have a material adverse effect on the Gaming Business. There is no assurance that the Group would continue to operate the VIP Rooms in the same business model or operate the VIP Rooms at all if the Casino Agreement is terminated. The current term of the Casino Agreement is three years from the date of passing the relevant resolution at the SGM to approve the Casino Agreement and the Group has the first right of refusal to renew the Casino Agreement for further three years on the condition that the Group is in full compliance with the terms of the Casino Agreement.

LETTER FROM THE BOARD

Nevertheless, there are only limited specified breach situations under which LongBay Entertainment may terminate the Casino Agreement, such as the illegal use of the premises by the Group or the revocation of the relevant gambling license by the government. Based on the Company's assessment, such situations are material events and the triggering threshold of which is high, and thus the likelihood of occurrence of such situations triggering the early termination by LongBay Entertainment would be low.

Conducting business in Cambodia involves certain economic and political risks

Conducting business in Cambodia involves certain economic and political risks. Changes in Cambodia's political, economic and social conditions will affect the local business environment. Other factors which may affect business operation in Cambodia include but not limited to governmental policies, changes in Cambodia laws or regulations, changes in exchange control regulations, potential restrictions on foreign investment and repatriation of capital, and travelling policies.

The Gaming Business cannot assure its AML and anti-corruption policies will be effective in preventing the occurrence of money laundering or other illegal activities at the VIP Rooms

Based on the experience of the management of the Group, the Gaming Business will implement AML policies in compliance with all applicable laws and regulations in Cambodia. However, the Gaming Business cannot assure such policies will be effectively carried out by the responsible personnel in order to prevent the operations from being exploited for money laundering purposes. Any incidents of money laundering, accusations of money laundering or regulatory investigations into possible money laundering activities involving the Gaming Business, the operator, its employees, its junkets or its players could have a material adverse impact on its reputation, relationship with its regulators, business, cash flows, financial condition, prospects and results of operations. Any serious incident of money laundering or regulatory investigation into money laundering activities may cause a revocation or suspension of the operations.

The Gaming Business is sensitive to downturns in the economy, economic uncertainty and other factors affecting discretionary consumer spending

Demand for the type of gaming services that the Gaming Business offer is sensitive to downturns and uncertainty in the global and regional economy and corresponding decreases in discretionary consumer spending on leisure activities. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, energy, fuel and other commodity costs, the cost of travel, employment and job market conditions, actual or perceived levels of disposable consumer income and wealth, and consumer confidence in the economy. These and other factors may reduce consumer demand for the gaming services and therefore materially and adversely affect our business, financial condition and results of operations.

LETTER FROM THE BOARD

Operation of the VIP Rooms is subject to gaming regulations in Cambodia, non-compliance with which may result in suspension or revocation of licenses granted to the VIP Rooms which could have material adverse effect to the Gaming Business

The gaming operations of the VIP Rooms are subject to the local gaming regulations. Furthermore, the operations of the VIP Rooms are contingent upon maintaining all necessary regulatory licenses, permits, approvals and registrations. The laws, regulations and ordinances requiring these licenses, permits and other approvals generally relate to the operations of the VIP Rooms, the payment of tax, the responsibility, financial stability and character of the owners and managers of gaming operations, as well as persons financially interested or involved in gaming operations. The VIP Rooms are subject to ongoing regulations to maintain these operations. The Cambodian government has power to limit, suspend or revoke a registration, gaming license or related approval and to approve changes in operations of the VIP Rooms. The suspension or revocation of any license of the VIP Rooms could have material adverse impact on the validity of the Gaming Business which will significantly harm the business, financial condition, results of operations and prospects of the Gaming Business.

Risk of suspension and cancellation of listing

The Company would use its best endeavours to ensure that the Gaming Business at the VIP Rooms and procure the management of the VIP Rooms in operating the gaming business must (i) comply with the applicable laws in Cambodia; and/or (ii) not contravene the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong). Pursuant to Guidance Letter HKEx-GL71-14 issued by the Stock Exchange relating to “Gambling Activities Undertaken by Listing Applicants and/or Listed Issuers”, should the operation of such gambling activities (i) fail to comply with the applicable laws in the Cambodia; and/or (ii) contravene the Gambling Ordinance, there is a risk that the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Listing Rules. Depending on the circumstances of the case, the Stock Exchange may direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Company’s securities pursuant to Rule 6.01 of the Listing Rules.

LEGAL OPINION AND REGULATORY ENVIRONMENT

Upon completion of the Casino Agreement, the Group will be entitled to all economic benefits contributed from the Gaming Business in Cambodia. Pursuant to Guidance Letter HKEx-GL71-14 issued by the Stock Exchange, the Stock Exchange may direct the Company to take remedial actions and/or may suspend dealings in, or may cancel the listing of, the Company’s securities pursuant to Rule 6.01 of the Listing Rules if the operation of the Gaming Business fails to comply with applicable laws in Cambodia and/or contravenes the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong).

LETTER FROM THE BOARD

In Cambodia, the gambling industry is principally governed by the Law on the Management of Commercial Gambling dated 14 November 2020 (the “**LMCG**”), which governs, among others, the area of commercial gambling zone, licenses for conducting commercial gambling business, casino and integrated commercial gambling centre development requirement. According to the LMCG, Commercial Gambling Committee of Cambodia was established to take responsibility of proposing new policies, issuing gambling regulations and licenses, collecting gambling revenue, taking any and all necessary actions in relation to the management and enforcement of gambling laws and regulations.

Based on Article 33 of the LMCG, in the event of permission in casino operation agreement, the casino operator can sign the contract governing the casino or as a party to a modified contract to transfer all or part of its obligation in the casino operation agreement to the casino manager.

Cambodia has enacted the Law on Anti-Money Laundering and Combating the Financing of Terrorism dated 24 June 2007 (the “**Anti-Money Laundering Law**”), which aims to prevent and combat money laundering and terrorist financing in Cambodia. Cambodia Financing Intelligence Unit (“**CFIU**”) is the central body responsible for receiving and analysing reports on suspicious cash transactions and disseminating the results of their analysing and other information related to money laundering or financing of terrorism. CFIU is eligible by the Anti-Money Laundering Law to legally advise any financial institutions such as banks, micro-finance institutions and other loan agencies to disclose their secret transactions or any doubtful huge amount of cash transactions should they have encountered or comprehended. With this respect, CFIU work strictly confidential and privacy in observation or investigation on suspicious cash transactions whether through electronic or any other means.

Internal controls on AML

The Company understood that a foreign company which is registered and runs its business in Cambodia in relation to the casino sector or type of some other relevant business shall abide by Cambodia’s laws, policies and implementation framework as well as international standards which Cambodia has declared the acceptance of implementation of as a member.

The Group has adopted AML policies and procedures in respect of AML. Measures covered by the AML policies and procedures include, but not limited to: (i) to verify individuals’ identities and keep proper records on the players; (ii) to record any bets, single or aggregated, over a certain amount and the parties involved; and (iii) to report suspicious irregularities to relevant authorities, which the Group will monitor the operation of the Gaming Business to identify any suspicious irregularities and report to the relevant authorities immediately.

The Group has also developed comprehensive procedures for the Gaming Business’s financial closing and reporting process and will update its control system and compliance procedures accordingly whenever there are changes in the laws and regulations of AML. In addition, the Group do not intend to accept credit cards or any forms of electronic currencies for the transactions.

LETTER FROM THE BOARD

The Group has conducted internal control review on the internal systems and procedures and AML mechanism of the Gaming Business and will further conduct on a regular basis.

Other than the internal control on AML, the Group has also established internal control policies and standard operating procedures for the management of the Gaming Business, including but not limited to, (i) table game management, such as table fills and credits, table opening and closing, gaming payouts, and safeguarding of cash and chips on tables, playing cards and dice; (ii) fraud prevention, such as surveillance monitoring, fraud detection, key controls and follow-up investigations; and (iii) risk management, such as regular exception reviews and internal audit. As at the Latest Practicable Date, the Company has engaged an independent auditor to conduct a review on the adequacy and effectiveness of its internal control measures to be implement with respect to the operating of Gaming Business. The internal control review has commenced in June 2024 and completed in August 2024.

As at the Latest Practicable Date, the independent auditor had completed the review of the internal control systems of the Gaming Business on the entity level and the process level. The scopes reviewed on the entity level included the control environment, risk assessment, control activities, information and communication, and monitoring. The scopes reviewed on the process level included internal control over finance department, cage department, table game department, surveillance department, human resource department, IT department and internal control over AML/CFT and CFP. The Company has completed the rectification on its internal control policies in accordance with the recommendations of the independent auditor. As confirmed by the independent auditor, following the rectification, there is no material deficiency identified in the internal control system relating to the Gaming Business and the internal control on the Gaming Business is effective.

The Company had obtained a legal opinion from a qualified lawyer in Cambodia in respect of the legality of the Casino Agreement for the operation of the VIP Rooms. Based on the factual background of the matter and the applicable laws and regulations in Cambodia, the Cambodian lawyer is of the view that the Casino Agreement for the operation of the VIP Rooms complies with the relevant laws in Cambodia. In addition, the Cambodian lawyer considers that there is no legal impediment for the renewal of the casino license of LongBay Entertainment.

The Company has also been advised by Hong Kong legal adviser that the Gaming Business and the transactions contemplated thereunder conducted in Cambodia do not contravene the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong).

INFORMATION ON THE PARTIES

The lessor

LongBay Entertainment is a private limited liability company incorporated in Cambodia with registered capital of 200,000,000,000 Riels (approximately USD50,000,000), and is principally engaged in hotel operation, property investment and property development. LongBay Entertainment operates the Casino in LongBay Century Hotel in Cambodia with total

LETTER FROM THE BOARD

gross floor area of approximately 10,000 square metre, with the first and second floor being the casino and the third to fifth floor being the hotel rooms. The Casino has a total of 30 gaming tables, 24 slot machines, 1 roulette machine, 10 interblock multiple game and 1 interblock roulette machine. LongBay Entertainment also operates two hotels in Cambodia, including one 6-floor hotel with 57 rooms and 2 restaurants, and one 6-floor hotel with casino and 45 rooms, both were opened in November 2021. As at the Latest Practicable Date, to the best knowledge, information, and belief of the Directors after having made all reasonable enquiries, the ultimate beneficial owner of LongBay Entertainment is Mr. Som Chanmony.

The Company had engaged a law firm in Cambodia to conduct a due diligence review on LongBay Entertainment. Based on the due diligence report dated 16 December 2022 obtained by the Company, (a) LongBay Entertainment is a company duly incorporated and existing under the laws of Cambodia; (b) LongBay Entertainment's casino license is legal and valid; (c) LongBay Entertainment has obtained all requisite licenses and approval to carry out its gaming activities at the location; (d) LongBay Entertainment's casino license is valid for 5 years until 31 December 2026; and (e) LongBay Entertainment legally fulfilled the main required elements before casino open their operations. In addition, the Company had further obtained a legal opinion dated 26 April 2024 from a law firm in Cambodia on the Casino Agreement, which set out that the Casino Agreement complies with the relevant laws in Cambodia.

Based on the background and the due diligence review, the Company is of the view that LongBay Entertainment has the right to enter into the Casino Agreement and has the qualification and experience to operates the Casino. As confirmed by the Directors, there has been no material change on the operation of the Casino since the due diligence conducted by the Company.

To the best knowledge, information, and belief of the Directors after having made all reasonable enquiries, LongBay Entertainment and its ultimate beneficial owner are independent third parties of the Group and its connected persons (as defined in the Listing Rules).

The Company and the lessee

The Company is incorporated in Bermuda with limited liability. 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 (“AR/VR”) applications to clients.

Wisdom Ocean Group Limited is incorporated in the British Virgin Islands with limited liability, being a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE CASINO AGREEMENT

Pursuant to HKFRS 16, the Company will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the VIP Rooms under the Casino Agreement. Therefore, the entering into of the Casino Agreement and the transaction contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules. The unaudited value of right-of-use assets to be recognised by the Company under the Casino Agreement amounted to approximately HK\$9,828,000, which is calculated with reference to the aggregated lease payments to be made under the Casino Agreement and an exchange rate of HK\$1 to US\$7.8. Upon commencement of the lease term under the Casino Agreement, the consolidated total assets of the Group will increase by approximately HK\$9,828,000, and a corresponding amount of lease liabilities of approximately HK\$9,828,000 will be recognised at the same time. The actual amount of right-of-use assets to be recognised would be subject to the review by the auditors of the Company.

LISTING RULES IMPLICATIONS

As the highest of applicable percentage ratios in respect of the transaction contemplated under the Casino Agreement exceeds 25% but is less than 100%, the transaction contemplated under the Casino Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Casino Agreement. Therefore, none of the Shareholders and their associates is required to abstain from voting in the SGM to be convened by the Company for the approval of the Casino Agreement and the transactions contemplated thereunder.

SGM

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 Monday, 30 September 2024 at 3:00 p.m. (or at such time immediately after the conclusion of the annual general meeting of the Company to be held at 2:30 p.m. on the same day and at the same place, or as the case may be, any adjourned meeting thereof) is set out on pages 28 to 29 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.

LETTER FROM THE BOARD

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.

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, 25 September 2024 to Monday, 30 September 2024, both days inclusive, during which period no transfer of the Shares of the Company will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of the 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, 24 September 2024 (Hong Kong Time).

RECOMMENDATION

The Directors considers that the terms of the Casino Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Casino 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

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the year ended 31 March 2022, 2023 and 2024 are set out in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (www.ceihldg.com):

- Annual report of the Company for the year ended 31 March 2024 published on 30 July 2024 (pages 40 to 109):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0730/2024073001104.pdf>

- Annual report of the Company for the year ended 31 March 2023 published on 28 July 2023 (pages 41 to 117):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072801665.pdf>

- Annual report of the Company for the year ended 31 March 2022 published on 28 July 2022 (pages 48 to 135):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800339.pdf>

2. WORKING CAPITAL

As set out in the Company's consolidated financial statements for the year ended 31 March 2024, the Group incurred a net loss attributable to the owners of the Company of approximately HK\$24.2 million for the year ended 31 March 2024. As at 31 March 2024, the Group has net current liabilities of approximately HK\$21.6 million and net liabilities of approximately HK\$79.8 million.

As at 31 March 2024, the Group had other loans from independent third parties in the principal amount of HK\$58.0 million. Such loan represented the convertible notes and promissory notes issued by the Company in 2018 which were already matured in 2020. Following the maturity of these convertible notes and promissory notes, the Company has tried to reach their respective holders for the repayment or extension arrangement for multiple attempts with the last attempt made in July 2024. However, the Company could not contact both holders of the convertible notes and promissory notes since the last communication in November 2022. Hence, the Group was unable to obtain written agreement with these lenders in respect of the above borrowings that they will not exercise their rights to demand immediate repayment of the borrowings. As such, the Group was unable to confirm that it would have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular. Such conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. After considering the financial position of the Group, including the aforementioned loans from independent third parties, the Group has the following plans to ensure that it would have sufficient working capital for at least the next 12 months from the date of this circular:

- (i) Mr. Ng undertook that he will not demand for the repayment of the convertible bonds in the principal amounts of HK\$50,000,000 and HK\$32,000,000 which will mature on 30 September 2025 and 30 December 2026, respectively, and will provide financial support for the Group's working capital for a period of at least 12 months

until 30 June 2025. In addition, other loans from third parties in the principal amount of HK\$58.0 million are personally guaranteed by Mr. Ng. Mr. Ng has also undertaken that if the holders of the convertible notes and promissory notes request for repayment, Mr. Ng will be responsible for the repayment of the full amount on behalf of the Company;

- (ii) the Group will resume the gaming table business under the Casino Agreement and the business is expected to generate revenue to the Group for the year ending 31 March 2025; and
- (iii) The Group will continue to take active measure to control administrative costs and containment of capital expenditures;

Taking into account the financial resources available to the Group, including the funds to be generated under the Casino Agreement, the existing borrowings and convertible bonds and the financial support provided by Mr. Ng, and based on the assumption that both holders of the convertible notes and promissory notes will not exercise their rights to demand immediate payment of the outstanding borrowings in the principal amount of HK\$58.0 million (on which Mr. Ng has provided personal guarantee), the Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

In the event that the above plans could not be effectively implemented, the Company will consider and seek for other appropriate alternative plan(s), including but not limited to potential equity or debt fund raising exercise, in order to ensure that the Group will have sufficient working capital. Further announcement(s) will be made by the Company as and when alternative plan(s) is/are implemented in the future.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 July 2024, being the latest practicable date for the purpose of this statement of indebtedness, the Group had the following indebtedness.

Borrowings

| | As of 31 July 2024 <i>HK\$'000</i> |
|--------------------------------------|--|
| Convertible bond (<i>note i</i>) | 61,707 |
| Interest payable (<i>note ii</i>) | 11,972 |
| Other borrowings (<i>note iii</i>) | 93,210 |
| Lease liabilities | 1,044 |
| | <hr/> |
| Total | <u>167,933</u> |

- (i) The convertible bond includes (a) the convertible bonds issued on 31 March 2021 to Mr. Ng in the principal amount of HK\$50,000,000, which is unsecured and non-interest bearing, with the maturity date extended to 30 September 2025 pursuant to the amendment agreement dated 30 September 2022. The holder of the convertible bond 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 (subject to be customary anti-dilutive adjustments) until the maturity date on 30 September 2025; and (b) the convertible bonds issued on 31 December 2023 to Mr. Ng in the principal amount of HK\$32,000,000, which is unsecured and non-interest bearing and will mature on 30 December 2026. The holder of the convertible bond will be able to convert the outstanding principal amount into ordinary shares of the Company at a conversion price of HK\$0.256 per conversion share (subject to be customary anti-dilutive adjustments) until the maturity date on 30 December 2026.
- (ii) The interest payable accrued of approximately HK\$11,972,000 was due to independent third parties for the loans principal of approximately HK\$58,000,000.
- (iii) The amount comprised (a) other loans from independent third parties with an amount of HK\$30,000,000 which was transferred from the convertible bonds with principal amount of HK\$30,000,000 on the maturity date of 23 October 2020. Such other loans are unsecured, interest free, repayable on demand and guaranteed by Mr. Ng; (b) other loans from independent third parties of HK\$28,000,000 which are unsecured, subject to interest at 10% p.a., repayable on demand and guaranteed by Mr. Ng; and (c) the remaining HK\$35.2 million was due to Mr. Ng and are unsecured, interest free and repayable on demand. Such amounts due to Mr. Ng is expected to be set off against the amount due from Mr. Ng and Lion King to the Group of HK\$58.0 million resulting from the enforcement of the profit guarantees (the “**Profit Guarantee**”) under the original assignment agreement dated 28 October 2019 entered into among Lion King, VMG and Mr. Ng for the assignment of the rights to operate and manage the gaming tables, by August 2024. The remaining amount of the Profit Guarantee will be settled by part of the convertible bonds issued to Mr. Ng in December 2023 with the principal amount of HK\$32,000,000 by August 2024.

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Group did not have any outstanding borrowings, term loans, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on 31 July 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular.

Save as aforesaid, the Directors are not aware of any material changes in the indebtedness, contingent liabilities and commitments of the Group since 31 July 2024, the date to which the indebtedness statement is made and up to the Latest Practicable Date.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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. On this front, according to the website of the Ministry of Tourism of Cambodia (<https://tourismcambodia.org/official-activities/foreign-tourist-arrivals-increase-140-percent-in-2023>), in 2023, a total of 5.43 million international tourists visited Cambodia, representing an increase of 139.5% from 2.27 million for 2022. According to the website of the Ministry of Information of Cambodia (<https://www.information.gov.kh/articles/124332>), foreign tourism revenue surged to US\$3.04 billion in 2023, representing an increase of 115% from US\$1.41 billion in 2022. According to the Ministry of Tourism of Cambodia, the number of foreign visitors to Cambodia is predicted to reach 7 million by 2025, surpassing the pre-COVID-19 pandemic level of 6.6 million in 2019. In particular, the increasing direct flights from abroad to Cambodia with new air routes created and the new airport in Siem Reap province have facilitated passengers to travel to Cambodia. Given the surge in number of tourists and tourism revenue as well as the improve in infrastructure, it is expected there will be positive momentum and promising outlook for the Cambodia tourism industry.

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, namely the two sub-decrees issued by the Royal Government of Cambodia that (i) established a new regulatory body, the Cambodian Commercial Gaming Commission (CCGC), to deal with licensing issues, issue guidelines, propose new regulations and resolve disputes; and (ii) set out the minimum capital requirements for casino operators. Specifically, the bill heightened market entry barriers and operation requirements, particularly the increasing capital requirement for casino operators. 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 develop its core gaming table business and capture opportunities from the latest round of positive development. By entering into of the Casino Agreement, the Company could continue to participate in the gaming industry in Cambodia.

As at the Latest Practicable Date, the Company has no current plan to develop the augmented reality (AR)/virtual reality (VR) entertainment business.

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 | 225,695,826 (Note 1) | 261,537,285 | 203.93% |
| | Interest in a controlled corporation (Note 2) | 30,737 | – | 30,737 | 0.02% |
| | Total | 35,872,196 | 225,695,826 (Note 1) | 261,568,022 | 203.96% |
| Ms. Yeung Pui Han, Regina | Beneficial owner | – | 171,652 (Note 3) | 171,652 | 0.13% |
| Ms. Sie Nien Che, Celia | Beneficial owner | 30,000 | 146,826 (Note 3) | 176,826 | 0.14% |

Notes:

1. These interests represent the number of underlying shares in respect of (a) the share option scheme of the Company (695,826 underlying Shares); (b) the convertible bond issued to Mr. Ng on 31 March 2022 (100,000,000 underlying Shares); and (c) the convertible bond issued to Mr. Ng on 31 December 2023 (125,000,000 underlying Shares). The exercise of the conversion rights under the respective convertible bonds shall be subject to compliance with the Listing Rules, the Hong Kong Code on Takeovers and Mergers or applicable laws or regulations. The convertible bonds 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 261,568,022 Shares, representing approximately 73.90% 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:

| Name of Shareholder | Capacity | Number of Shares held | Approximate percentage of issued share capital |
|----------------------------|------------------|------------------------------|---|
| 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 2024 (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 AR/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 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. 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.

7. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualifications of the experts who have given their opinion or advice as contained in this circular:

| Name | Qualifications |
|---------------------|---|
| BM Grand Law Office | Qualified Cambodian lawyers |
| Cheng, Yeung & Co. | Legal adviser to the Company as to Hong Kong laws |
| REACHS & Partners | Independent internal control consultant |

The experts named above have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letters of advice/reports and references to their names in the form and context in which the respectively appear.

As at the Latest Practicable Date, the experts named above 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, the experts named above 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 2024 (being the date to which the latest published audited financial statements of the Group were made up).

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, among others, the proposed extension of the original maturity date of convertible bond from 30 September 2022 to 30 September 2025;

- (ii) the New Assignment Agreement dated 27 February 2023 entered into among Lion King, Mr. Ng and VMG, 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;
- (iii) the subscription agreement dated 16 October 2023 entered into between the Company and Mr. Ng, pursuant to which Mr. Ng has agreed to subscribe for the convertible bond with a principal amount of HK\$32 million. The subscription amount payable by Mr. Ng under the subscription agreement shall be settled by offsetting the part of the amount owing by the Company to Mr. Ng;
- (iv) the Termination Agreement; and
- (v) the Casino Agreement.

9. 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.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (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 Casino Agreement; and
- (ii) the written consent from the experts referred to in the paragraph headed “7. Qualifications and consents of experts” of this appendix.

NOTICE OF THE SGM



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 Monday, 30 September 2024 at 3:00 p.m. (or at such time immediately after the conclusion of the annual general meeting of the Company to be held at 2:30 p.m. on the same day and at the same place, or as the case may be, any adjourned meeting thereof) 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 Casino 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 Wisdom Ocean Group Limited, a wholly-owned subsidiary of the Company (as the lessee) and LongBay Entertainment (as the lessor) in respect of the lease and operation of the VIP Rooms for a term of three years (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; and
- (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 Casino Agreement and the transactions contemplated thereunder.”

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

NOTICE OF THE SGM

Hong Kong, 4 September 2024

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, 25 September 2024 to Monday, 30 September 2024, 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, 24 September 2024.
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) and on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, 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.