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INTERIM REPORT 2024/25

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)



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## BOARD OF DIRECTORS

### Executive

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

### Independent Non-executive

Ms. Yeung Pui Han, Regina  
Ms. Sie Nien Che, Celia  
Mr. Yuen Sing Wai Lester

## AUDIT COMMITTEE

Mr. Yuen Sing Wai Lester (*Chairman*)  
Ms. Yeung Pui Han, Regina  
Ms. Sie Nien Che, Celia

## COMPLIANCE COMMITTEE

Mr. Ng Man Sun (*Chairman*)  
Mr. Yuen Sing Wai Lester  
Mr. Man Yun Wah (*Company Secretary*)

## REMUNERATION COMMITTEE

Ms. Yeung Pui Han, Regina (*Chairlady*)  
Ms. Sie Nien Che, Celia

## NOMINATION COMMITTEE

Mr. Ng Man Sun (*Chairman*)  
Ms. Yeung Pui Han, Regina  
Ms. Sie Nien Che, Celia

## COMPANY SECRETARY

Mr. Man Yun Wah

## AUDITOR

Elite Partners CPA Limited

## LEGAL ADVISER

Cheng, Yeung & Co.

## INVESTOR RELATIONS CONSULTANT

DLK Advisory Limited

## STOCK CODE

959

## BRANCH SHARE REGISTRAR

Tricor Secretaries Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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



## FINANCIAL REVIEW

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

The Group recorded no revenue for the Period under Review and last year. The decrease in revenue was mainly attributable to the spread of COVID-19 and the imposed lockdown measures and temporary closure of all casinos in Cambodia affecting the gaming table business and also that the work on the re-opening of the gaming table was still in progress. Net loss for the Period under Review was approximately HK\$11.42 million, increasing approximately 7.4% as compared to approximately HK\$10.99 million for the corresponding period last year.

### Capital Structure

As at 30 September 2024, the Company's total number of issued shares was 128,247,561 (31 March 2024: 128,247,561) at HK\$0.01 each. The Group's consolidated net liabilities totalled approximately HK\$91.2 million, representing an increase of approximately HK\$11.3 million as compared to net liabilities of approximately HK\$79.8 million as at 31 March 2024.

### 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.

# Management Discussion and Analysis

As at 30 September 2024, the Group had total assets and net liabilities of approximately HK\$32.2 million (31 March 2024: approximately HK\$90.4 million) and approximately HK\$91.2 million (31 March 2024: approximately HK\$79.8 million), respectively, comprising non-current assets of approximately HK\$Nil (31 March 2024: approximately HK\$0.04 million) and current assets of approximately HK\$32.2 million (31 March 2024: approximately HK\$90.4 million). As at 30 September 2024, the Group also did not have any non-controlling interests (31 March 2024: HK\$Nil) and had current liabilities of approximately HK\$100.9 million (31 March 2024, approximately HK\$112.0 million).

As at 30 September 2024, the Group's gearing ratio, calculated as a ratio of total debt to total assets, was approximately 382.7% (31 March 2024: approximately 188.3%).

## BUSINESS REVIEW

### Business Overview

The Cambodian economy has been experiencing a strong recovery in 2024, mainly driven by the resurgence of its tourism industry. According to the Ministry of Tourism of Cambodia, the country welcomed 4.8 million international visitors in the first nine months of 2024, up 22% from 3.92 million over the same period in 2023. The substantial growth reaffirms Cambodia's standing as a top Southeast Asian travel destination. Riding on such momentum, the Cambodian government also strengthened its regulatory framework for the gaming industry in order to promote sustainable development. In particular, the government introduced new regulations for casino gaming equipment in September 2024, mandating rigorous registration and tighter import controls. Not only this would pose challenges for new entrants, it would also encourage market consolidation, giving established and compliant operators more room to operate. As a Group with stringent compliance practices, such a regulatory shift offers much optimism in future competition.

While there were changes in the macroeconomics and the regulatory environment, the Group continued to prioritise the resumption of its gambling operations in Cambodia. Following proactive efforts to advance the casino agreement, the lease and operation of the VIP rooms were approved at the Special General Meeting (“**SGM**”) on 30 September 2024, with the VIP rooms officially commencing operations on 1 October 2024. This is expected to contribute positively to the Group’s financial performance starting in late 2024. Looking ahead, the Group will remain vigilant in monitoring market developments, and will maintain proactive communication with its shareholders and other stakeholders as new opportunities arise.

## Gaming Table Business in Cambodia

On 3 May 2024, Wisdom Ocean Group Limited (“**Wisdom Ocean**”), a wholly-owned subsidiary of the Group, and LongBay Entertainment Co., Ltd (“**LongBay Entertainment**”), entered into a three-years casino agreement (“**Casino Agreement**”) for the lease and operation of the VIP rooms in Dara Sakor. Under this agreement, Wisdom Ocean will manage gaming activities, primarily baccarat, across seven tables in VIP rooms of approximately 650 square meters, while LongBay Entertainment will oversee licensing, operational expenses, and dealer provision. This arrangement allows the Group to focus on elevating customer experience, especially among high-value guests.

Regarding the agreement, the lease terms are set at a monthly rate of US\$35,000, with the Group entitled to 100% of house winnings and responsible for any house losses, inclusive of staffing expenses and taxes. Upon the approval of the relevant resolution on 30 September 2024, the operations officially commenced on 1 October 2024. Currently, the Company is focusing on intensive staff training and operational gearing to ensure a smooth and efficient operation. The Group anticipates that the VIP rooms operation will stabilize in the upcoming months, and will be able to contribute significantly to the Group’s overall performance in 2025.



## Management Discussion and Analysis

In terms of location, the casino is strategically located in Dara Sakor, a rapidly growing district in Cambodia and a key tourism hub in Southeast Asia. With the new airport nearing completion and the development of various leisure amenities such as a golf course and shopping mall underway, it is expected that there will be a surge in tourist traffic in the region. Riding on the promising growth and tourism appeal of Dara Sakor, the Board is confident that its gaming business will generate consistent revenue streams from its higher-margin VIP rooms, further strengthening the Group's financial performance and reinforcing its market position.

### Augmented reality ("AR")/Virtual reality ("VR") entertainment

Explicitly Grand Investments Limited, along with its subsidiary companies (collectively known as the "**Explicitly Grand Group**"), continued to face challenges in attracting new clients and securing new orders, despite the robust recovery in the Cambodian market. The fierce competition in the AR/VR sectors has led to a notable decline in demand for the Group's products, which has, in turn, created notable operational challenges.

Following its long-term strategy, the Group continued to adopt a prudent approach in managing its AR/VR operations while actively exploring restructuring options and alternative business opportunities. All in all, the Group will continue to prioritise its core gaming business and focus on achieving sustainable long-term growth with its established market presence.



## Going Concern

In preparing the condensed consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its net current liabilities position as at 30 September 2024. The Group incurred a net loss attributable to owners of the Company of approximately HK\$11,421,000 for the six months ended 30 September 2024, and had net liabilities of approximately HK\$91,197,000 as at 30 September 2024.

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

1. 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 from the date of issuing these condensed consolidated financial statements.
2. Other borrowings from third parties amounted to HK\$58,000,000 are personally guaranteed by Mr. Ng.
3. 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. On 30 September 2024, the Group also obtained the shareholder approval for entering into agreement of lease and operation of the VIP rooms in the casino and the agreement is effective on 1 October 2024.



## Management Discussion and Analysis

4. The Group will continue to take active measure to control administrative costs and containment of capital expenditures.

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

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

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



## OUTLOOK AND PROSPECTS

### Outlook

The gaming industry in Cambodia is poised for substantial growth, fueled by optimistic economic forecasts and government support for the tourism sector. The country's tourism industry is expected to maintain its upward trajectory throughout the remainder of 2024 and beyond, with the Ministry of Tourism even setting the ambitious goal of attracting 7 million international visitors annually by 2025. According to Asean+3 Macroeconomic Research Office (AMRO), Cambodia's economy is now expected to grow by 5.6% in 2024, up from 5% in 2023, and a further 5.9% in 2025, showcasing the potential for sustained economic progress.

Amid favorable market conditions and the successful launch of its new VIP rooms, the Group is well-positioned to capitalize on the recovering traffic. By leveraging its extensive experience in the gaming business, the Group will continue to expedite the growth of its newly-opened VIP rooms to generate sustainable cash flow, while proactively exploring investment opportunities within the entertainment technology sector. From a broader perspective, the Group will also closely monitor the regulatory developments in its neighboring country, Thailand, particularly on the review of the new Entertainment Complex Bill, which may offer significant opportunities that go beyond Cambodia.



## Management Discussion and Analysis

The Group is also actively considering other business opportunities that would further diversify business risk and bring new revenue streams. The Group will establish a new business line focused on the sourcing and distribution of premium Camellia oil, leveraging on the growing demand for nutritious edible oils and favorable fiscal policies in China. Camellia oil, a high-quality, natural edible plant oil, is renowned for its health benefits and is primarily produced in China, which accounts for over 90% of global output. The Camellia oil industry has shown significant growth over the years, driven by increasing consumer demand for healthy, natural products and robust Chinese government policy support targeted at the cultivation of Camellia, such as the “Three-Year Action Plan for Accelerating Camellia Industry Development (2023-2025)”. In 2023, China’s Camellia oil annual production surpassed 800,000 tons, making it one of the country’s top 10 edible oils by consumption. The Group is actively forming strategic partnerships with leading suppliers and distributors to secure a stable supply chain and capitalize on this high-growth market. This new business line will align with the Company’s sustainability goals by promoting eco-friendly practices and benefitting local farming communities. It will also diversify the Group’s business portfolio beyond the entertainment industry. The Board believes this strategic expansion will enhance revenue streams and profitability and contribute positively to community development. Supported by the efficient operations of the VIP rooms, the improving macroeconomic landscape as well as the new business opportunity, the Group is confident to deliver sustainable returns to its shareholders in the near future.

### Appreciation

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



## INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2024 (2023: HK\$Nil).

## FOREIGN EXCHANGE AND CURRENCY RISKS

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

## EMPLOYEES AND REMUNERATION POLICY

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

## CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2024.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 30 September 2024, none of the Directors and chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register(s) and kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

#### Long Position in 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)	261,568,022	203.96%
	Interest in a controlled corporation (Note 3)	30,737	-	30,737	0.02%
	<b>Total</b>	35,872,196	225,695,826 (Note 1)	261,598,759	203.98%
Ms. Yeung Pui Han, Regina	Beneficial owner	-	171,652 (Note 2)	171,652	0.13%
Ms. Sie Nien Che, Celia	Beneficial owner	30,000	146,826 (Note 2)	176,826	0.14%

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

### Long Position in shares and underlying shares of the Company (CONTINUED)

*Notes:*

1. These interests represent the number of underlying shares in respect of (i) the 2012 Scheme (695,826 underlying shares and as defined below); and (ii) the CB issued to Mr. Ng on 31 March 2021 (100,000,000 underlying shares) and on 31 December 2023 (125,000,000 underlying shares) respectively. Details of the 2012 Scheme are set out under section headed "Share Option Scheme" on page 14 of this report, and details of the CB are set out under the sub-section headed "Subscription of the Convertible Bond" of the Management Discussion and Analysis respectively. The exercise of the conversion rights under the CB shall be subject to compliance with the Listing Rules, the Takeovers Code or applicable laws or regulations.
2. These interests represent the number of underlying shares in respect of the 2012 Scheme, the details of which are set out under the section headed "Share Option Scheme" on page 14 of this report.
3. 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.

## ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above and "Share Option Scheme" below, at no time during the six months ended 30 September 2024 was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the Period under Review.

### SUBSTANTIAL SHAREHOLDERS

As at 30 September 2024, the following persons (not being the Directors or chief executive) had interests or short position in the shares and underlying shares of the Company as recorded in the register(s) required to be kept under section 336 of the SFO.

Name	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%

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**2012 Scheme**”) on 12 September 2012 which was valid and effective for 10 years from its date of adoption and has been expired on 11 September 2022. During the six months ended 30 September 2024, no options were granted, exercised nor cancelled but 720,652 options were lapsed under the 2012 Scheme. As at 30 September 2024, there were 2,548,434 options outstanding under the 2012 Scheme. The number of options available for grant under the 2012 Scheme as of 1 April 2024 and 30 September 2024 were NIL and NIL respectively. The total number of shares that may be issued in respect of share options granted under the 2012 Scheme as at the date of this report was 2,548,434, which represented approximately 1.99% of the weighted average number of shares in issue for the six months ended 30 September 2024.

The purpose of the 2012 Scheme is to recognise eligible persons as incentives and rewards for their contribution to the Group.



## SHARE OPTION SCHEME (CONTINUED)

The movements of the Company's share options outstanding under the 2012 Scheme during the Period under Review are as follows:

	Date of Grant	No. of share options ('000)				Adjusted exercise price HK\$ (Notes 1, 3)	
		As at 1 April 2024 (Notes 1, 3)		As at 30 September 2024 (Notes 1, 3)			
		Granted	Lapsed	Granted	Lapsed		
<b>Directors</b>							
Mr. Ng Man Sun	10/03/2015	25	-	-	25	10/03/2015-09/03/2025	7.01
	01/12/2017	610	-	-	610	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00
Ms. Ng Wai Yee (resigned on 5 June 2024)	10/03/2015	25	-	(25)	-	10/03/2015-09/03/2025	7.01
	25/04/2016	25	-	(25)	-	25/04/2016-24/04/2026	3.70
	01/12/2017	610	-	(610)	-	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	(61)	-	17/12/2018-16/12/2028	2.00
Ms. Yeung Pui Han, Regina	10/03/2015	25	-	-	25	10/03/2015-09/03/2025	7.01
	25/04/2016	25	-	-	25	25/04/2016-24/04/2026	3.70
	01/12/2017	61	-	-	61	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00

## Other Information

### SHARE OPTION SCHEME (CONTINUED)

	Date of Grant	No. of share options ('000)				Adjusted exercise price HK\$ (Notes 1, 3)	
		As at 1 April 2024 (Notes 1, 3)	Granted	Lapsed	As at 30 September 2024 (Notes 1, 3)		
Ms. Sie Nien Che, Celia	25/04/2016	25	-	-	25	25/04/2016-24/04/2026	3.70
	01/12/2017	61	-	-	61	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00
Service providers	10/03/2015	124	-	-	124	10/03/2015-09/03/2025	7.01
	01/12/2017	610	-	-	610	01/12/2017-30/11/2027	2.80
	17/12/2018	800	-	-	800	17/12/2018-16/12/2028	2.00
In aggregate		3,270	-	[721]	2,549		

### SHARE OPTION SCHEME (CONTINUED)

*Notes:*

1. Pursuant to the open offer of the Company completed on 16 May 2016, the number of share options were adjusted and the exercise prices of the share options granted on 10 March 2015 and 25 April 2016 were also adjusted from HK\$0.870 to HK\$0.701 and from HK\$0.459 to HK\$0.370 respectively.
2. At the annual general meeting of the Company held on 9 August 2016, shareholders have approved to refresh the general mandate limit that the total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme must not exceed 10% of the shares of the Company in issue on the date of that annual general meeting.
3. Pursuant to the share consolidation passed by the shareholders at a special general meeting of the Company held on 1 March 2021 and took effect on 3 March 2021, the number of share options were adjusted and the exercise prices of the share options granted on 10 March 2015, 25 April 2016, 1 December 2017 and 17 December 2018 were also adjusted from HK\$0.701 to HK\$7.01, from HK\$0.370 to HK\$3.70, from HK\$0.280 to HK\$2.80 and from HK\$0.200 to HK\$2.00 respectively.

### 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 Period under Review.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rule and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company's securities.

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

### CORPORATE GOVERNANCE

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

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules throughout the Period under Review with the exception of certain deviations as further explained below.

Code provision C.1.8 of the CG Code provides that an issuer should arrange appropriate insurance cover in respect of legal action against its directors.

The Company does not have insurance cover in this respect. The management of the Company considers that all potential claims and legal actions against the Directors can be handled effectively and the possibility of actual litigation against the Directors is relatively low based on its business operations for the Period under Review. The Company will consider arranging for an appropriate insurance in accordance with the requirements of code provision C.1.8 of the CG Code as and when appropriate.

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.

### CORPORATE GOVERNANCE (CONTINUED)

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

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

Due to other business commitments, Mr. Ng, being the Chairman, was unable to attend the AGM held on 30 September 2024 where he arranged Mr. Yuen Sing Wai Lester, who is an independent non-executive Director and very familiar with the Group's business and operations, to attend and chair the AGM.

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

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

### REVIEW OF RESULTS

The Group's unaudited condensed consolidated interim results for the six months ended 30 September 2024 have not been reviewed or audited by the external auditors of the Company, but have been reviewed by the audit committee of the Company, and the audit committee of the Company is of the view that the interim results of the Group for the six months ended 30 September 2024 were prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

On behalf of the Board

**Ng Man Sun**

*Chairman and Chief Executive Officer*

Hong Kong, 29 November 2024

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024  
(Expressed in Hong Kong dollars)

**Six months ended  
30 September**

	Notes	<b>2024 HK\$'000 (Unaudited)</b>	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	5	—	—
Cost of sales		—	—
<b>Gross profit</b>		—	—
Other income	6	68	71
General and administrative expenses		(4,413)	(6,185)
Finance costs	7	(7,076)	(4,876)
<b>Loss before taxation</b>	8	(11,421)	(10,990)
Income tax expense	9	—	—
<b>Loss for the period attributable to owners of the Company</b>		(11,421)	(10,990)
<b>Loss and total comprehensive expenses for the period attributable to owners of the Company</b>		(11,421)	(10,990)
<b>Loss per share</b>			
Basic and diluted (HK cents)	11	(8.90)	(8.57)

# Condensed Consolidated Statement of Financial Position

At 30 September 2024

(Expressed in Hong Kong dollars)

	<i>Notes</i>	<b>30 September 2024 HK\$'000 (Unaudited)</b>	31 March 2024 HK\$'000 (Audited)
<b>Non-current asset</b>			
Plant and equipment		—	44
<b>Current assets</b>			
Other receivables	12	<b>28,248</b>	86,461
Cash and cash equivalents		<b>4,008</b>	3,937
		<b>32,256</b>	90,398
<b>Current liabilities</b>			
Other payables		<b>18,638</b>	21,342
Other borrowings	13	<b>58,000</b>	88,684
Convertible bonds	14	<b>22,678</b>	—
Lease liabilities		<b>840</b>	1,230
Tax payables		<b>734</b>	734
		<b>100,890</b>	111,990
<b>Net current liabilities</b>		<b>(68,634)</b>	(21,592)



# Condensed Consolidated Statement of Financial Position

At 30 September 2024  
(Expressed in Hong Kong dollars)

	Notes	<b>30 September 2024 HK\$'000 (Unaudited)</b>	31 March 2024 HK\$'000 (Audited)
<b>Total assets less current liabilities</b>		<b>(68,634)</b>	(21,548)
<b>Non-current liabilities</b>			
Lease liabilities		-	214
Convertible bonds	14	<b>22,563</b>	58,014
		<b>22,563</b>	58,228
<b>NET LIABILITIES</b>		<b>(91,197)</b>	(79,776)
<b>Equity</b>			
Share capital	15	<b>1,282</b>	1,282
Reserves		<b>(92,479)</b>	(81,058)
<b>TOTAL DEFICIT</b>		<b>(91,197)</b>	(79,776)

# Condensed Consolidated Statement of Changes in Equity

At 30 September 2024

(Expressed in Hong Kong dollars)

	Share capital HK\$'000 (note 15)	Share premium HK\$'000 (note(ii))	Special reserve HK\$'000 (note(iii))	Contributed surplus HK\$'000 (note(iiii))	Capital reserve HK\$'000 (note(iv))	Convertible bonds reserve HK\$'000 (note(v))	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023 (Audited balance forward from 31 March 2023)	1,282	571,880	(22,470)	2,435,239	49,558	7,766	(3,110,752)	(67,497)
loss and total comprehensive expense for the period	–	–	–	–	–	–	(10,990)	(10,990)
At 30 September 2023	1,282	571,880	(22,470)	2,435,239	49,558	7,766	(3,121,742)	(78,487)
At 1 April 2024 (Audited balance forward from 31 March 2024)	1,282	571,880	(22,470)	2,435,239	42,788	19,696	(3,128,191)	(79,776)
Effect of share options forfeitures	–	–	–	–	(657)	–	657	–
loss and total comprehensive expense for the period	–	–	–	–	–	–	(11,421)	(11,421)
At 30 September 2024	1,282	571,880	(22,470)	2,435,239	42,131	19,696	(3,138,955)	(91,197)

## Notes:

The amounts of the Group's reserves and movements therein are presented in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity.

### (i) Share premium

The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.

### (ii) Special reserve

The special reserve of the Group represents the difference between the nominal amount of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition pursuant to the corporate reorganisation prior to the listing of the Company's shares.

### (iii) Contributed surplus

The contributed surplus of the Company represents the following:

- the differences between the consolidated shareholders' funds of subsidiaries at the date on which they were acquired by the Company and the nominal amount of the shares of the Company issued under the corporate reorganisation; and
- the credit of approximately HK\$255,213,000 arising from the capital reduction on 3 March 2021 transferred from the Company's share capital account.

Under The Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to shareholders or for set-off the accumulated losses of the Company in full.

### (iv) Capital reserve

The capital reserve comprises the following:

- the fair value of the unexercised share options granted to employees and service provider of the Company recognised in accordance with the accounting policies; and
- the amount transfer from convertible bonds reserve in regarding to the equity component of unexercised convertible bonds at the expiry date recognised in accordance with the accounting policies.

### (v) Convertible bonds reserve

The convertible bonds reserve comprises the amount allocated to equity component of the convertible bonds on issue date recognised in accordance with the accounting policies.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024  
(Expressed in Hong Kong dollars)

	<b>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (Unaudited)</b>	2023 HK\$'000 (Unaudited)
Net cash used in operating activities	<b>(5,453)</b>	(5,323)
Net cash generated from investing activities	<b>68</b>	71
Net cash generated from financing activities	<b>5,456</b>	5,331
Net increase in cash and cash equivalents	<b>71</b>	79
Cash and cash equivalents as at 1 April	<b>3,937</b>	3,807
Cash and cash equivalents as at 30 September	<b>4,008</b>	3,886

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 1. GENERAL INFORMATION

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

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

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

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2024.

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

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 2. BASIS OF PREPARATION (CONTINUED)

### (b) Going concern

During the six months ended 30 September 2024, the Group incurred a net loss attributable to the owners of the Company of approximately HK\$11,421,000 and had net cash outflows from operating activities of approximately HK\$5,453,000. As at 30 September 2024, the Group recorded net current liabilities of approximately HK\$68,634,000 and net liabilities of approximately HK\$91,197,000.

In view of its recurring losses incurred, operating cash outflows, net current liabilities position as at 30 September 2024 and no revenue generated in prior years and the current period, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve its cash flows:

1. 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 from the date of issuing these condensed consolidated financial statements.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 2. BASIS OF PREPARATION (CONTINUED)

### (b) Going concern (CONTINUED)

2. Other borrowings from independent third parties amounted to HK\$58,000,000 are personally guaranteed by Mr. Ng.
3. 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. On 30 September 2024, the Group also obtained the shareholder approval for entering into agreement of lease and operation of the VIP rooms in the casino and the agreement is effective on 1 October 2024.
4. 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 condensed consolidated financial statements.

In the opinion of the directors of the Company, having taken into account of the abovementioned, 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 these condensed consolidated financial statements for the six months ended 30 September 2024 on a going concern basis.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 2. BASIS OF PREPARATION (CONTINUED)

### (b) Going concern (CONTINUED)

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 these condensed consolidated financial statements.

### (c) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Company for the year ended 31 March 2024.



## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The principal accounting policies used in the condensed consolidated financial statements for the six months ended 30 September 2024 are consistent with those adopted in the Group's annual financial statements for the year ended 31 March 2024, except for the adoption of the new or amended Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2024.

The adoption of the new and revised HKFRSs has had no significant effect on these condensed consolidated financial statements for the six months ended 30 September 2024 and there have been no significant changes to the accounting policies applied in these condensed consolidated financial statements for the six months ended 30 September 2024.

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

## 4. SEGMENT INFORMATION

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

During the six months ended 30 September 2024 and 30 September 2023, the Group's operating activities are attributable to two operating segments focusing on (i) gaming and entertainment related businesses; and (ii) AR/VR applications and mobile games solutions.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 4. SEGMENT INFORMATION (CONTINUED)

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

### (a) Segment revenue and results

	Six months ended 30 September 2024 (Unaudited)		
	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Total HK\$'000
Segment revenue	–	–	–
Segment profit/(loss)	–	–	–
Unallocated income			68
Unallocated corporate expenses			(4,413)
Unallocated finance costs			(7,076)
Loss before taxation			(11,421)

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 4. SEGMENT INFORMATION (CONTINUED)

### (a) Segment revenue and results (CONTINUED)

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

Segment profit/(loss) represents the profit/(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.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 4. SEGMENT INFORMATION (CONTINUED)

### (b) Segment assets and liabilities

The following table presents assets and liabilities of the Group's operating segments as at 30 September 2024 and 31 March 2024:

	30 September 2024 (Unaudited)			31 March 2024 (Audited)		
	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Total HK\$'000	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Total HK\$'000
<b>Assets</b>						
Segment assets	<u>8,392</u>	<u>–</u>	<u>8,392</u>	<u>38,392</u>	<u>–</u>	<u>38,392</u>
Unallocated corporate assets			<u>23,864</u>			<u>52,050</u>
Consolidated total assets			<u>32,256</u>			<u>90,442</u>
<b>Liabilities</b>						
Segment liabilities	<u>–</u>	<u>1,159</u>	<u>1,159</u>	<u>–</u>	<u>734</u>	<u>734</u>
Unallocated corporate liabilities			<u>122,294</u>			<u>169,484</u>
Consolidated total liabilities			<u>123,453</u>			<u>170,218</u>

## 4. SEGMENT INFORMATION (CONTINUED)

### (b) Segment assets and liabilities (CONTINUED)

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

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

## 5. REVENUE

The Group did not generated revenue during the six months ended 30 September 2024 (six months ended 30 September 2023: HK\$Nil).

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 6. OTHER INCOME

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

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Bank interest income	<b>68</b>	71

## 7. FINANCE COSTS

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Interest on lease liabilities	<b>44</b>	—
Interest on other borrowings	<b>1,404</b>	1,404
Interest on convertible bonds	<b>5,628</b>	3,472
	<b>7,076</b>	4,876

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>(a) Staff costs (including directors' emoluments)</b>		
Salaries, allowances and other benefits	1,531	2,244
Contributions to retirement benefits scheme (excluding contributions for directors)	25	37
	<u>1,556</u>	<u>2,281</u>
<b>(b) Other items</b>		
Depreciation of plant and equipment	44	133
Expenses related to short-term leases	60	11

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 9. INCOME TAX EXPENSE

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

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2024 and 2023 as the Group had incurred losses for taxation purpose.

## 10. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (30 September 2023: HK\$Nil).

## 11. LOSS PER SHARE

### (a) Basic loss per share

The calculation of the basic loss per share was based on the loss for the period attributable to owners of the Company of approximately HK\$11,421,000 (six months ended 30 September 2023: HK\$10,990,000) and the weighted average number of 128,247,561 (30 September 2023: 128,247,561) ordinary shares in issue during the period under review.

### (b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2024 and 30 September 2023 in respect of a potential dilution of share options and convertible bonds as the impact of the share options and convertible bonds had an anti-dilutive effect on the basic loss per share amounts presented.



# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 12. OTHER RECEIVABLES

	<b>30 September 2024 HK\$'000 (Unaudited)</b>	31 March 2024 HK\$'000 (Audited)
Other receivables (notes a and b)	<b>46,831</b>	104,831
Less: allowance for expected credit losses	<b>(19,025)</b>	(19,025)
	<b>27,806</b>	85,806
Rental deposits and other deposits	<b>330</b>	330
	<b>28,136</b>	86,136
Prepayments	<b>112</b>	325
	<b>28,248</b>	86,461

Notes:

- (a) On 17 June 2024 and 30 September 2024, the Group entered into offsetting arrangements with Mr. Ng to offset the balances included in "Other receivables", "Other borrowings" and "Other payables" between the Group and himself amounting to a total of approximately HK\$39,600,000. The remaining balance due from Mr. Ng is repayable on demand. The Group shall have the right to set off the remaining balance against the outstanding convertible bonds held by the Group.

Accordingly, other receivables due from Mr. Ng amounted to approximately HK\$58,000,000, loan from a director amounted to approximately HK\$36,788,000, other payables amounted to approximately HK\$2,812,000, and convertible bonds amounted to approximately HK\$18,400,000, respectively were offset during the six months ended 30 September 2024.

- (b) At 31 March 2024, the gross amounts of other receivables mainly comprised of amount due from Mr. Ng of approximately HK\$46,831,000, and profit guarantee receivable from Mr. Ng and Lion King of approximately HK\$58,000,000. Other receivables due from Mr. Ng and Lion King are unsecured, interest-free and repayable on demand. The maximum amount outstanding during the year ended 31 March 2024 was approximately HK\$85,806,000.

At 30 September 2024, the gross amounts of other receivables mainly comprised of amount due from Mr. Ng of approximately HK\$46,831,000. Other receivables due from Mr. Ng is unsecured, interest-free and repayable on demand. The maximum amount outstanding during the six months ended 30 September 2024 was approximately HK\$85,806,000.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 13. OTHER BORROWINGS

	<b>30 September 2024 HK\$'000 (Unaudited)</b>	31 March 2024 HK\$'000 (Audited)
Loan from a director (note a)	—	30,684
Other loans from independent third parties (note b)	<u>58,000</u>	<u>58,000</u>
	<b>58,000</b>	<b>88,684</b>

Notes:

- (a) Loan from a director, Mr. Ng is unsecured, interest-free and repayable on demand.

On 17 June 2024 and 30 September 2024, the Group entered into offsetting arrangements with Mr. Ng to offset the balances included in "Other receivables", "Other borrowings" and "Other payables" between the Group and himself amounting to a total of approximately HK\$39,600,000. The remaining balance due from Mr. Ng is repayable on demand. The Group shall have the right to set off the remaining balance against the outstanding convertible bonds held by the Group.

Accordingly, other receivables due from Mr. Ng amounted to approximately HK\$58,000,000, loan from a director amounted to approximately HK\$36,788,000, other payables amounted to approximately HK\$2,812,000, and convertible bonds amounted to approximately HK\$18,400,000, respectively were offset during the six months ended 30 September 2024.

- (b) Other loans from independent third parties amounted to HK\$30,000,000 (31 March 2024: HK\$30,000,000) were 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 and repayable on demand and guaranteed by Mr. Ng.

The remaining amount of other loans from independent third parties of HK\$28,000,000 (31 March 2024: HK\$28,000,000) are unsecured, subject to interest at 10% p.a., repayable on demand and guaranteed by Mr. Ng.

At 30 September 2024, the accrued interest for other loans from independent third parties amounted to HK\$12,440,000 (31 March 2024: HK\$11,037,000) are included in interest payable under "other payables".

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 14. CONVERTIBLE BONDS

	<b>30 September 2024 HK\$'000 (Unaudited)</b>	31 March 2024 HK\$'000 (Audited)
CB1 – principal amount of HK\$50 million (note a)	–	–
CB2 – principal amount of HK\$50 million (note b)	<b>22,678</b>	37,142
CB3 – principal amount of HK\$32 million (note c)	<b>22,563</b>	20,872
	<b>45,241</b>	58,014
Carrying amount repayable:		
Within one year	<b>22,678</b>	–
More than two years, but not exceeding five years	<b>22,563</b>	58,014
	<b>45,241</b>	58,014
Less: amounts due within one year shown under current liabilities	<b>(22,678)</b>	–
Amount due after one year shown under non-current liabilities	<b>22,563</b>	58,014

Notes:

- (a) On 31 March 2021, the Company issued the convertible bond (“**CB1**”) with principal amount of HK\$50 million to Mr. Ng for settlement part of the other borrowings.

The CB1 was unsecured and non-interest bearing. The holder of the CB1 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 at 30 September 2022. The CB1 was matured on 30 September 2022 and transferred to other borrowings of approximately HK\$50,000,000.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 14. CONVERTIBLE BONDS (CONTINUED)

Notes: (Continued)

- (b) In November 2022, the Company completed the issue of new convertible bond ("**CB2**") with principal amount of HK\$50 million to Mr. Ng for settlement of other borrowings. Such transaction was treated as equity transaction as Mr. Ng is shareholder of the Company. At issuance date of the CB2, the fair value was determined to be approximately HK\$36,044,000. The difference between the fair value of CB2 and carrying amount of the other borrowings mentioned in note (a) above was approximately HK\$13,956,000, which was recognised and presented in the condensed consolidated statement of changes in equity under the heading "Capital Reserve".

The CB2 is unsecured and non-interest bearing. The holder of the CB2 will be able to convert the outstanding principal amount into ordinary shares of the Company at a conversion price of HK\$0.5 per conversion share until the maturity date at 30 September 2025.

- (c) On 31 December 2023, the Company completed the issue of new convertible bond ("**CB3**") with principal amount of HK\$32 million to Mr. Ng for settlement of part of the borrowings owed to Mr. Ng, which is included in other borrowings as at 31 March 2024. The CB3 is unsecured and non-interest bearing. The holder of the CB3 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 until the maturity date at 30 December 2026.

The CB1, CB2 and CB3 are determined to be a compound financial instrument with a conversion option that will or may be settled by an exchange of a fixed number of ordinary shares of the Company for a fixed amount of cash, being treated as equity. The liability components include host debt component (being the Company's obligation to pay the principal amount of the convertible bonds on respective maturity dates if the convertible bonds are not converted or redeemed).

On initial recognition of the CB1, CB2 and CB3, the equity component of each convertible bond is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Accordingly, on initial recognition, the Group first determined the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component. The carrying amount of the equity instrument is then determined by deducting the fair value of the financial liability from the fair value of the convertible bonds as a whole.

## 14. CONVERTIBLE BONDS (CONTINUED)

The Group recognised the values of equity component for the CB2 and CB3 of approximately HK\$7,766,000 and HK\$11,930,000 for the years ended 31 March 2023 and 2024 respectively as equity upon their initial recognition and presented in the consolidated statement of changes in equity under the heading "Convertible bonds reserve".

The fair value of the liability component of convertible bonds on initial recognition was calculated using a discounted cash flow approach and the discount rate adopted is 15.79%, 22.26% and 16.81% respectively for CB1, CB2 and CB3. No change in fair value of convertible bonds on initial recognition.

None of the convertible bonds were converted into ordinary shares of the Company during the six months ended 30 September 2024 and 2023.

On 17 June 2024 and 30 September 2024, the Group entered into offsetting arrangements with Mr. Ng to offset the balances included in "Other receivables", "Other borrowings" and "Other payables" between the Group and himself amounting to a total of approximately HK\$39,600,000. The remaining balance due from Mr. Ng is repayable on demand. The Group shall have the right to set off the remaining balance against the outstanding convertible bonds held by the Group.

Accordingly, other receivables due from Mr. Ng amounted to approximately HK\$58,000,000, loan from a director amounted to approximately HK\$36,788,000, other payables amounted to approximately HK\$2,812,000, and CB2 amounted to approximately HK\$18,400,000, respectively were offset during the six months ended 30 September 2024.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 15. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary share of HK\$0.01 each at 1 April 2023, 31 March 2024 (audited), 1 April 2024 and 30 September 2024	<b>40,000,000</b>	<b>400,000</b>
Issued and fully paid:		
Ordinary share of HK\$0.01 each at 1 April 2023, 31 March 2024 (audited), 1 April 2024 and 30 September 2024	<b>128,247</b>	<b>1,282</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

At 30 September 2024 and 31 March 2024, the Group did not have any financial assets and liabilities that were measured at fair value.

During the six months ended 30 September 2024 and 2023, there was no transfer between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements. The Group's policy is to recognise transfer between levels as at the end of the reporting period.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 17. MATERIAL RELATED PARTY TRANSACTIONS

The Group had no significant related party transactions during the six months ended 30 September 2024 and 2023.

The remuneration of key management personnel for the six months ended 30 September 2024 amounted to HK\$358,000 (six months ended 30 September 2023: HK\$894,000).

## 18. EVENT AFTER THE REPORTING PERIOD

On 3 May 2024, Wisdom Ocean Group Limited ("**Wisdom Ocean**"), a wholly-owned subsidiary of the Group, entered into a casino agreement with LongBay Entertainment Co., Ltd., an independent third party, 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 and circular dated 3 May 2024 and 4 September 2024 respectively. On 30 September 2024, the relevant resolution was passed at the special general meeting, and accordingly, the agreement is effective on 1 October 2024.