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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)

**PROPOSED AMENDMENT OF TERMS IN RELATION TO
THE MAJOR AND CONNECTED TRANSACTIONS IN
CONNECTION WITH THE ASSIGNMENT OF GAMING TABLE
BUSINESS RIGHTS IN CAMBODIA**

THE SUPPLEMENTAL FRAMEWORK AGREEMENT

On 5 February 2021 (after trading hours of the Stock Exchange), VMG, Lion King and Mr. Ng entered into the Supplemental Framework Agreement to amend certain terms of the Assignment Agreement previously approved by the Shareholders of the Company at the special general meeting held on 30 March 2020.

IMPLICATIONS UNDER THE LISTING RULES

The entering into of the Supplemental Framework Agreement constitutes a material variation to the terms of the major and connected transaction previously approved by the Shareholders of the Company at the special general meeting held on 30 March 2020, and are thus subject to announcement, circular and Shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, Lion King is wholly-owned by Mr. Ng Man Sun, who is an executive Director, Chairman, Chief Executive Officer of the Company and a substantial Shareholder. Therefore, Lion King and Mr. Ng are connected persons of the Company. The entering into the Supplemental Framework Agreement also constitutes a connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements.

Given that Mr. Ng has material interest in the Supplemental Framework Agreement, Mr. Ng, Ms Ng Wai Yee (being Mr. Ng's daughter) and their respectively associates are therefore required to abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Supplemental Framework Agreement and the transactions contemplated thereunder.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed pursuant to the Listing Rules to advise the Independent Shareholders on the Supplemental Framework Agreement and the transactions contemplated thereunder. In this connection, an independent financial adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the Supplemental Framework Agreement and the transactions contemplated thereunder are fair and reasonable, and to make recommendation(s) on voting.

THE SGM

A SGM will be convened for the purpose of, among other things, considering, and if thought fit, approving the Supplemental Framework Agreement and the transactions contemplated thereunder by the Independent Shareholders. As additional time is required to complete, among others, valuation works to determine the exact number of the New Gaming Tables to be adjusted under the New Gaming Table Business Rights, a circular containing, among other things, (i) further information on the Supplemental Framework Agreement; (ii) recommendation of the Independent Board Committee; (iii) letter of advice from the independent financial adviser; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the SGM and a form of proxy, is unable to be despatched to the Shareholders within the timeframe required under the Listing Rules but will be despatched to the Shareholders as soon as practicable.

References are made to the announcement of the Company dated 31 March 2020 in relation to, among other things, the completion of assignment of the Gaming Table Business Rights for a period of five years from 31 March 2020, the circular of the Company dated 13 March 2020 in relation to the details of the Assignment, the announcements (the “**Announcements**”) of the Company dated 2 April 2020, 6 July 2020 and 30 September 2020 in relation to the Temporary Closure Demand and the notification by the Assignor regarding its decision to relocate the Casino from the Sunshine Bay Hotel to Dara Sakor and the circular (the “**Circular**”) of the Company dated 5 February 2021 in relation to, among other things, updates on the re-opening schedule of the New Casino.

INTRODUCTION

On 28 October 2019, VMG, a wholly-owned subsidiary of the Company as the Assignee, Lion King as the Assignor and Mr. Ng as the Guarantor entered into the Assignment Agreement pursuant to which Lion King has conditionally agreed to assign the Gaming Table Business Rights to VMG and VMG has conditionally agreed to accept the assignment of the Gaming Table Business Rights for a period of five (5) years commencing from the assignment commencement date at the consideration of HK\$120 million. Completion of the Assignment Agreement took place on 31 March 2020.

As disclosed in the Announcements and the Circular, operation of the Casino (including the Gaming Table Business) had been temporarily closed down from 23:59 p.m. of 1 April 2020 to comply with the Temporary Closure Demand as part of the measures to prevent the spread of the COVID-19 Epidemic. Although the Cambodian governmental authorities announced on 3 July 2020 that they would allow casinos to resume business as long as they can demonstrate that they are capable of following the government guidelines regarding health and safety requirements, the Company was being informed by the Assignor on 6 July 2020 that in light of the serious impact of the COVID-19 Epidemic to the overall Cambodia gaming market and the Temporary Closure Demand, the Assignor (i) had been negotiating with the landlord for any possibility to reduce the lease payment of the Casino however failed; (ii) was being offered with comparatively more attractive terms for lease and had signed the Lease LOI with the Potential New Landlord pursuant to which the Assignor intended to continue the casino operation at the Potential New Location; and (iii) confirmed the Company that the relocation of operation location of the Casino would have no impact on the validity and legality of the gaming license and the Assignment Agreement.

On 30 September 2020, the Company was further informed by the Assignor that the Assignor had decided not to proceed with the Lease LOI and CSG, the parent company of the Assignor, had entered into the New Casino Lease and Operation Agreement with the New Landlord to continue the casino operation at the New Location for a term from 1 October 2020 to 30 September 2035. The Company had been advised by the Assignor that the New Casino at the New Location is expected to be re-opened by 31 January 2021. Given the New Location was concluded, the Company has commenced negotiation with the Assignor on the arrangement of the Gaming Table Business Rights.

Subsequently, the Company was being informed that re-opening schedule of the New Casino has been delayed due to the following reasons:

- (i). the global rebound of the COVID-19 Epidemic since late 2020 has upset the global logistic market and the original delivery schedule of the certain essential equipment, in particular, the delivery of the CCTV system has been delayed;
- (ii). following the outbreak of COVID-19 community transmission incident in Cambodia on 28 November 2020 (the “**11.28 Incident**”), the Cambodia government had announced to temporarily suspend the immigration relief measures to relieve the 14-days quarantine requirement for foreign business travellers, corporate employees, experts and technicians with effect from 12 December 2020 and demand for closure of certain shops, malls, restaurants and schools until 29 December 2020 when the Cambodian government announced that the 11.28 Incident has ended. The decoration and system installation works of the New Casino had been temporarily suspended from 12 December 2020 to 29 December 2020 to avoid the spread of the 11.28 Incident; and

(iii). due to (i) and (ii) above, the installation, testing and training schedules of the CCTV system and the casino management system has been delayed correspondingly.

Upon further negotiation, it was mutually agreed to prioritise completion work at the mass market of the New Casino for re-opening. As at the date of this announcement, decoration works and systems installation works at the mass market of the New Casino are expected to be completed within two weeks. Subject to the completion of the systems testing and provision of training to casino staff by the systems vendors, which are scheduled to be completed within four to five weeks from the date of this announcement, it is expected that the mass market of the New Casino can be re-opened by early March 2021.

On 5 February 2021 (after trading hours of the Stock Exchange), VMG, Lion King and Mr. Ng entered into the Supplemental Framework Agreement to amend certain terms of the Assignment Agreement.

THE SUPPLEMENTAL FRAMEWORK AGREEMENT

Details of the Supplemental Framework Agreement including principal amendments are set out as follows:

Date

5 February 2021 (after trading hours of the Stock Exchange)

Parties

- (i) Victor Mind Global Limited (as the Assignee)
- (ii) Lion King Entertainment Company Limited (as the Assignor); and
- (iii) Mr. Ng Man Sun (as the Guarantor)

As at the date of this announcement, Lion King is wholly-owned by Mr. Ng who is an executive Director, the Chairman and Chief Executive Officer of the Company. Mr. Ng and his wholly-owned corporation namely East Legend Holdings Limited, together holds 358,721,959 Shares in aggregate, representing approximately 27.97% of the total issued Shares as at the date of the Supplemental Framework Agreement. Therefore, Mr. Ng is also a substantial Shareholder and accordingly, Lion King and Mr. Ng are connected persons of the Company under Chapter 14A of the Listing Rules.

Proposed amendments to terms

Venue:

Pursuant to the Assignment Agreement, the Casino is operating at Sunshine Bay Hotel at Village 1, Commune No. 3, Mithaphea Town, Sihanoukville Municipal, Cambodia with total GFA of 10,686 sq.m. comprises (i) casino areas with GFA of 8,100 sq.m. including (a) 38 mass gaming tables with 20 tables for niu-niu poker, 15 tables for baccarat (including the Gaming Tables), and 1 table for each of blackjack, sic bo and poker; (b) 54 electronic gaming machines; and (c) 75 VIP tables; and (ii) other areas including multi-function leisure club house, restaurant and office with total GFA of 2,586 sq.m..

Pursuant to the Supplemental Framework Agreement, the New Casino shall be located at Building 89, Long Bay, Say Phuthong Boulevard, Dara Sakor, Koh Kong Province, Cambodia with total GFA of 10,500 sq.m. According to the design and construction plan of the New Casino, the New Casino is planned to comprise (i) casino areas with GFA of approximately 7,000 sq.m. including (a) 20 mass gaming tables with 7 tables for niu-niu poker, 10 tables for baccarat (including the New Gaming Tables), and 1 table for each of blackjack, sic bo and poker; (b) 50 electronic gaming machines; and (c) 25 VIP tables; and (ii) 1 Chinese restaurant.

Number of gaming tables:

Pursuant to the Assignment Agreement, the total number of Gaming Tables under the Gaming Table Business Rights was four and the consideration for the Gaming Table Business Rights was HK\$120 million. The Consideration was determined based on, among others, valuation of the Gaming Table Business Rights of HK\$126 million or HK\$31.5 million per Gaming Table as at 30 September 2019 prepared by the Independent Valuer based on discount cash flow approach.

Pursuant to the Supplemental Framework Agreement, it is mutually agreed among the parties that the Consideration shall remain unchanged and the number of New Gaming Tables to be adjusted under the New Gaming Table Business Rights shall be determined with reference to the appraised value per New Gaming Table to be prepared by the Independent Valuer and the aggregate appraised value of the New Gaming Tables shall be no less than HK\$126 million, being the appraised value of the Gaming Table Business Rights previously approved by the Independent Shareholders at the special general of the Company held on 30 March 2020. Therefore, the exact number of the New Gaming Tables to be determined shall be the aggregate appraised value of the New Gaming Tables of HK\$126 million divided by the appraised value per New Gaming Table to be prepared by the Independent Valuer in this regard.

As at the date of this announcement, the Company has engaged the Independent Valuer to propose the valuation of the New Gaming Tables as at 5 February 2021 and a survey consultant to perform on-site market survey as well as other professional parties to assist the Company in conducting due diligence exercise on the New Gaming Table Business Rights. However, the progress has been dragged out due to the strict travelling measures in Cambodia. The parties to the Supplemental Framework Agreement will enter into further agreement to determine the number of the New Gaming Tables to be assigned by the Assignor to the Assignee upon completion of the above-mentioned works done.

Term of the Gaming Table Business Rights: The Gaming Table Business Rights is valid for a period of five (5) years from 30 March 2020.

Pursuant to the Supplemental Framework Agreement, the valid period of the New Gaming Table Business Rights shall be for a period of five (5) years from the Operation Date.

Profits guarantee: Pursuant to the Assignment Agreement, the Assignor and the Guarantor unconditionally and irrevocably guaranteed to the Assignee that the audited net profit after tax of the Gaming Table Business for the 12-month period after commencement of the Assignment Agreement (the “**First 12-month Period**”) and for the 12-month period immediately following the expiry of the First 12-month Period shall be not less than HK\$28,000,000 and HK\$32,000,000 respectively (the “**Profits Guarantee**”).

Pursuant to the Supplemental Framework Agreement, the Assignee, the Assignor and the Guarantor mutually agreed that the profits guarantee period of the New Gaming Table Business shall commence from the Operation Date and cover a period of 24 consecutive months. All other terms under the Profits Guarantee (including the guaranteed amount and the consideration adjustment mechanism) under the Assignment Agreement shall remain in full force and effect.

Additional undertaking by the Guarantor: Mr. Ng, being the Guarantor and the holder of the Promissory Note, has irrevocably undertaken to the Assignee that he will not make demand for payment of the Promissory Note until the end of the 30-month period after the Operation Date.

Save for the above proposed amendments, all other terms of the Assignment Agreement remain in full force and effect save and except the objects to the terms of the Assignment Agreement have been changed to the New Casino and the New Gaming Table Business Rights.

Conditions precedent

The Supplemental Framework Agreement is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (a) completion by VMG of the legal and financial due diligence review and VMG being reasonably satisfied with such review;
- (b) the obtaining by VMG of all necessary consents, authorizations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Supplemental Framework Agreement which may be required by the approval authorities;
- (c) VMG being reasonably satisfied that all warranties will remain true and correct and there being no material adverse change as at the effective date of the Supplemental Framework Agreement;

- (d) VMG having obtained a legal opinion from qualified lawyers practicing in Cambodia in the form satisfactory to VMG confirming the legality and validity of the gaming license; the legality, validity and enforceability of the New Casino Lease and Operation Agreement and the assignment of the New Gaming Table Business Rights;
- (e) VMG having obtained a valuation report on the market value of the New Gaming Table Business Rights from the Independent Valuer acceptable in the form reasonably satisfactory to VMG;
- (f) the passing of the ordinary resolution(s) at the SGM by the Independent Shareholders to approve the terms of the Supplemental Framework Agreement and the transactions contemplated thereunder; and
- (g) the mass market of the New Casino including the New Gaming Tables having re-opened.

VMG may waive all or any of the conditions (except (b), (d), (e), (f) & (g)) at any time before the Long Stop Date by notice in writing to Lion King. If any of the above conditions are not satisfied by the Long Stop Date (or on such date as shall be extended by agreement between the parties), the Supplemental Framework Agreement shall be terminated and have no effect and neither party shall then have any liability.

Effectiveness of the Amendments

Amendments shall take effect on or before the third Business Day after all conditions precedent to the Supplemental Framework Agreement have been satisfied or waived by VMG (or such other time and date as the parties to the Supplemental Framework Agreement may agree in writing).

Upon the Amendments taken effect, the Company will be able to resume the operation at the New Casino and will be entitled to all future economic benefits contributed from the New Gaming Table Business from the Operation Date until the expiry of the New Gaming Table Business Rights.

INFORMATION ON THE NEW CASINO AND THE NEW GAMING TABLE BUSINESS

The New Casino

The New Casino is situated at Building 89, Long Bay, Say Phuthong Boulevard, Dara Sakor, Koh Kong Province, Cambodia with total GFA of 10,500 sq.m. According to the design and construction plan of the New Casino, the New Casino is planned to comprise (i) casino areas with GFA of approximately 7,000 sq.m. including (a) 20 mass gaming tables with 7 tables for niu-niu poker, 10 tables for baccarat (including the New Gaming Tables), and 1 table for each of blackjack, sic bo and poker; (b) 50 electronic gaming machines; and (c) 25 VIP tables; and (ii) 1 Chinese restaurant.

CSG has entered into the New Casino Lease and Operation Agreement with the New Landlord pursuant to which the New Landlord agreed to lease to CSG the New Location for a term from 1 October 2020 to 30 September 2035.

Details of the terms of the New Casino Lease and Operation Agreement are as follow:

- Date:** 30 September 2020
- Parties:** (a) LongBay Entertainment Co., Ltd. (as the lessor); and
(b) Cheung Shing Global Travel Entertainment Limited (as the lessee)
- Term:** 1 October 2020 to 30 September 2035
- Property:** Building 89, Long Bay, Say Phuthong Boulevard, Dara Sakor, Koh Kong Province, Cambodia with total GFA of 10,500 sq.m.

LongBay Entertainment Co., Ltd. is a company incorporated in Cambodia with limited liability and is principally engaged in property investment and property development. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, LongBay Entertainment Co., Ltd. and its ultimate beneficial owner are Independent Third Parties.

According to Lion King, the total investment sum incurred/to be incurred in connection with the decoration and grand opening of the New Casino is estimated to be approximately US\$10 million.

The New Gaming Table Business

Business model, roles of the Group and Lion King in the New Gaming Table Business

The New Gaming Tables will be located at the mass market area of the New Casino. The gaming activities of the New Gaming Table Business will take place only in Cambodia and outside Hong Kong. The bookmaking transactions and parties to the transaction will be only in Cambodia and outside Hong Kong.

The Group will mainly launch baccarat on the New Gaming Tables. The Group shall be entitled to 100% house win winnings and responsible for 100% house losses while shall bear associate staff costs incurred and tax associate with the New Gaming Table Business.

Pursuant to the Supplemental Framework Agreement, Lion King has undertaken VMG that:

- (a) it will keep the New Casino in good condition that allow VMG to run the New Gaming Table Business in a proper manner;
- (b) it will provide all necessary utilities, equipment and facilities, etc that allow VMG to run the New Gaming Table Business in a proper manner which shall include but not limited to gaming tables and furniture, renovations, card shoes, play cards, chips, IT system and CCTV system;
- (c) it will solely be responsible for the operation and management of the New Gaming Table Business;

- (d) it will comply in all respects with the relevant anti-money laundering and combating financing of terrorism legislation of Cambodia and will develop and implement proper internal control and reporting systems in the New Casino including the New Gaming Table Business;
- (e) it will provide VMG all financial and non-financial data in relation to the New Gaming Table Business on a regular basis or upon VMG's request;
- (f) it will ensure that games played at the New Gaming Tables are conducted in an orderly manner, without involvement of any fraud, and in accordance with any applicable house or casino rules of the New Casino;
- (g) it will ensure all disputes with guests playing games at the New Gaming Tables shall be resolved without adverse effect to the reputation of the New Casino;
- (h) it will bear all tax payable arising from the New Gaming Table Business;
- (i) it will ensure that no damage or loss shall be caused to any part of the New Casino (including furniture and decoration, chips on the New Gaming Tables) in connection with or arising from the conduct of the New Gaming Tables, and if there shall be any such damage or loss, to be solely responsible for the costs of repair and making good of such damage or loss; and
- (j) it will promptly renew the gaming license on an annual basis.

Pursuant to the Supplemental Framework Agreement, VMG shall:

- (a) solely be responsible for the costs of operation and management of the New Gaming Tables (including but not limited to any tax payable on the bets wagered at or operation of the Gaming Tables, the costs of engaging employees to serve at the Gaming Tables, and the costs of meals and refreshments served to such guests);
- (b) reimburse Lion King the winnings that shall be paid to guests winning games at the New Gaming Tables; and
- (c) subject to the payments and deductions as mentioned in (a) and (b) above, be entitled to retain all the loss of guests playing games at the New Gaming Tables.

Internal Controls on Anti-Money Laundering

VMG

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. As VMG is a foreign company and plays no part in the operation and management of the New Gaming Tables, it is not necessary to registered in Cambodia and AML requirements of Cambodia do not officially apply to VMG. However, it will be applied by Law on Anti-Money Laundering and Combating the Financing of Terrorism in general.

The Group will adopt the AML policies and procedures currently in use by the Group in respect of anti-money laundering, 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 New Gaming Tables to identify any suspicious irregularities and report to the New Casino and relevant authorities immediately.

The Group will also develop comprehensive procedures for the New Gaming Table Business's financial closing and reporting process and update its control system and compliance procedures accordingly whenever there are changes in the anti-money laundering laws and regulations.

The Group will conduct internal control review on the internal systems and procedures and anti-money laundry mechanism of the New Gaming Tables on a regular basis.

Lion King

The New Casino and Lion King have to comply with the AML Laws in respect of anti-money laundering, measures covered by the Code of Practice including, but not limited to:

1. to verify individuals' identities and keep proper records on the players and junkets in the database of the online casino;
2. to record any bets, single or aggregated, over a certain amount by the recording system of the online casino, which can record and report on each transactions with the parties involving in such transaction; and
3. to report suspicious irregularities to relevant authorities, which the New Casino will monitor the revenue report to identify any suspicious irregularities and report to the relevant authorities immediately.

In addition, the New Casino and Lion King do not intend to accept credit cards or any forms of electronic currencies for the transactions.

The gaming license and relevant laws and regulations impose strict obligations upon the New Casino and Lion King with respect to anti-money laundering protections. The New Casino and Lion King has developed a comprehensive anti-money laundering policy and related procedures for its financial closing and reporting process and update its control system and compliance procedures accordingly whenever there are changes in the anti-money laundering laws and regulations.

The Company will conduct internal control review on the internal systems and procedures and anti-money laundry mechanism of the New Casino on regular basis.

RISK RELATING TO THE NEW GAMING TABLE BUSINESS, OPERATIONS AND THE GAMING INDUSTRY IN CAMBODIA

The winnings of our players could exceed the New Gaming Table Business's winnings

Revenue of the New Gaming Table Business are mainly derived from the difference between the New Gaming Table Business's winnings and the winnings of its players. Since there is an inherent element of chance in the gaming industry, the New Gaming Table Business does not have full control over the New Gaming Table Business's winnings or the winnings of its players. If the New Gaming Table 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 New Gaming Table Business's operations depend on a variety of factors, some beyond our 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 New Gaming Table 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 New Gaming Table Business's win rates, and our business, financial condition and results of operations could be materially and adversely affected.

Social and economic conditions, travelling restrictions and currency exchange control in the PRC may be subject to uncertainties

As PRC customers are expected to be the New Gaming Table Business's major patrons, changes in economic and social conditions and/or measures implemented by the PRC government, including but not limited to, additional travelling barriers or changes in currency exchange controls will impede the inflow of PRC tourists to Cambodia. It is unclear whether these and other measures will continue to be in effect, or become more restrictive, in the future. Any reduction in visitors from the PRC as a result of the aforementioned measures or otherwise, would have a material impact on our business.

No direct operating history

The New Casino has yet to commence business, therefore, it may be difficult for the New Gaming Table Business to prepare for and respond to the significant business, economic, regulatory and competitive uncertainties and contingencies frequently encountered by new businesses 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 New Gaming Table Business.

VMG has no control over the operation of the New Casino

Pursuant to the terms of the Assignment Agreement (supplemented by the Supplemental Framework Agreement), Lion King shall, among other things, be solely responsible for the operation and management of the New Gaming Tables. To ensure the proper accounting for the revenue and profits attributable to the New Gaming Table Business and audit rights for relevant accounting records, VMG and Lion King has implemented the following measures:

- a unique number for each of the gaming tables in the New Casino has been properly assigned;
- the New Casino is implementing casino management system known as “KISS” to manage day-to-day gaming tables operations, inter alia, produce comprehensive real time statistics, audit trials and management reports;
- VMG shall prepare a budget on the operating cost of the New Gaming Tables with a view to monitoring the actual expenses to be incurred; and
- pursuant to the terms of the Assignment Agreement (supplemented by the Supplemental Framework Agreement), Lion King has undertaken to VMG that, among other things, it will provide VMG all financial and non-financial data in relation to the New Gaming Table Business on a regular basis or upon VMG’s request.

Based on the above-mentioned measures implemented, the Company is of the view that a proper accounting for the revenue and profits attributable to the New Gaming Table Business could be maintained. In addition, having considered that the other terms and conditions of the Assignment Agreement will still remain in full force and effect following the Amendments becoming effective, the Group still have the legal rights to request for full access to the books and records in respect of the New Gaming Table Business, the Company is of the view that there would not have difficulties for the Company’s auditor in auditing the New Gaming Table Business.

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 business operating environment in Cambodia’s economy. 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 operations and financial condition of the New Gaming Table Business has been seriously affected by the outbreak of the COVID-19 Epidemic, and may be affected by the occurrence of pandemics and severe diseases in future

Our business is subject to general economic and foreign investment atmosphere as well as tourism in Cambodia. The outbreak of any severe communicable disease (or the escalation and/or intensification of any outbreak of any severe communicable disease) such as the recent COVID-19 Epidemic which are beyond our control may adversely affect the economy, foreign investment, tourism and livelihood of the people in Cambodia, which in turn may adversely impact the gaming industry in Cambodia including the New Gaming Table Business.

The COVID-19 Epidemic remains a threat within Cambodia and globally. The new strain of coronavirus is considered highly contagious and may pose a serious public health threat. The Temporary Closure Demand and subsequent travelling restrictions and control measures has seriously affected gaming industry and tourism in Cambodia as well as the Gaming Tables Business. Despite the recent launching of vaccine to provide acquired immunity against coronavirus, it may need times to achieve remarkable effect and it is expected that recovery of international travel will be slow. Accordingly, our business and financial performance may be further impacted for at least the first quarter of 2021.

In addition to COVID-19 Epidemic, our business may be affected by outbreaks of other communicable diseases. Any mutation of the COVID-19 Epidemic or an outbreak of any other epidemics in Cambodia and/or globally, such as the avian influenza A (H5N1 and H7N9) virus or the influenza A (H1N1) virus, Middle East Respiratory Syndrome (or MERS), or other communicable diseases could have a material adverse effect on financial performance of the New Gaming Table Business.

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

Based on the experience of the management of the Group, the New Gaming Table Business will implement anti-money laundering policies in compliance with all applicable laws and regulations in Cambodia. However, the New Gaming Table Business cannot assure such policies will be effectively carried out by 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 New Gaming Table 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 New Gaming Table Business is sensitive to downturns in the economy, economic uncertainty and other factors affecting discretionary consumer spending

Demand for the type of gaming services the New Gaming Table Business offer is sensitive to downturns and uncertainty in the global and regional economy and corresponding decreases in discretionary consumer spending, including 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 have in the past reduced consumer demand for the gaming services the New Gaming Table Business offer, imposed practical limits on pricing and materially and adversely affected our business, financial condition and results of operations and could affect the New Gaming Table Business's liquidity position.

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

The gambling operations of the New Casino are subject to regulations by local jurisdiction of Cambodia in which the New Casino operates. Furthermore, the operations of the New Casino 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 New Casino, the payment of tax, the responsibility, financial stability and character of the owners and managers of gambling operations, as well as persons financially interested or involved in gambling operations. The New Casino is subject to ongoing regulations to maintain these operations. The Cambodian government has power to limit, condition, suspend or revoke a registration, gaming license or related approval and to approve changes in operations of the New Casino. The New Gaming Table Business Rights is granted by Lion King to VMG, the suspension or revocation of any license of the New Casino could have material adverse effect to the validity of the New Gaming Table Business Rights which will significantly harm the business, financial condition, results of operations and prospects of the New Gaming Table Business.

Risk of suspension and cancellation of listing

The Company would use its best endeavours to ensure that the New Gaming Table Business at the New Casino and procure the management of the New Casino 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 the Amendments becoming effective, the Group will be entitled to all economic benefits contributed from the New Gaming Table 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 proposed New Gaming Table Business fails to comply with applicable laws in Cambodia and/or contravenes the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong).

The Company will engage a qualified lawyer in Cambodia to provide legal opinion on the gaming activities under the New Gaming Table Business do not violate any applicable laws in Cambodia. The Company has also been advised by Hong Kong legal adviser that the New Gaming Table Business and the transactions contemplated thereunder conducted in Cambodia do not contravene the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong).

REASONS FOR THE ENTERING INTO OF THE SUPPLEMENTAL FRAMEWORK AGREEMENT

The principal activities of the Company are engaging in the gaming business in Asia Pacific and the development of innovative intellectual properties and technological solutions in connection with AR/VR applications to clients.

In view of the expected re-opening of the New Casino by early March 2021 and the foreseeable recovery of the economy in Cambodia following the launching of vaccine to provide acquired immunity against coronavirus, the Company considers that it provides a good timing for the Company to resume the New Gaming Table Business.

Dara Sakor, Koh Kong Province is one of the most rapidly developing districts in Cambodia and is a well-known tourism destination in Southeast Asia. The New Location at Dara Sakor is planned to be surrounded by luxury hotel resorts and a golf course. In addition, a new international airport, which allows sizable flights to land and depart, is under construction at Dara Sako. It is expected that the first phase of Dara Sakor International Airport development project will to be operational in mid 2021.

The Company also considers the successful sourcing by the Assignor to achieve a lower lease expenses would be beneficial to the future profitability of the New Casino as well as the New Gaming Table Business. Furthermore, the Assignor and the Guarantor are still obliged to fulfill their guaranteed profits undertaking under the terms of the Assignment Agreement (supplemented by the Supplemental Framework Agreement).

Having considered the above, the Directors (excluding the independent non-executive Directors) consider that the terms of the Supplemental Framework Agreement are fair and reasonable, and that the entering into of Supplemental Framework Agreement is in the ordinary and usual course of business of the Group, on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Group and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The entering into of the Supplemental Framework Agreement constitutes a material variation to the terms of the major and connected transaction previously approved by the Shareholders of the Company at the special general meeting held on 30 March 2020, and are thus subject to announcement, circular and Shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, Lion King is wholly-owned by Mr. Ng Man Sun, who is an executive Director, Chairman, Chief Executive Officer of the Company and a substantial Shareholder. Therefore, Lion King and Mr. Ng are connected persons of the Company. The entering into the Supplemental Framework Agreement also constitutes connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements.

Given that Mr. Ng has material interest in the Supplemental Framework Agreement, Mr. Ng, Ms. Ng Wai Yee (being Mr. Ng's daughter) and their respective associates are therefore required to abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Supplemental Framework Agreement and the transactions contemplated thereunder.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed pursuant to the Listing Rules to advise the Independent Shareholders on the Supplemental Framework Agreement and the transactions contemplated thereunder. In this connection, an independent financial adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the Supplemental Framework Agreement and the transactions contemplated thereunder are fair and reasonable, and to make recommendation(s) on voting.

THE SGM

A SGM will be convened for the purpose of, among other things, considering, and if thought fit, approving the Supplemental Framework Agreement and the transactions contemplated thereunder by the Independent Shareholders. As additional time is required to complete, among others, valuation works to determine the exact number of the New Gaming Tables to be adjusted under the New Gaming Table Business Rights, a circular containing, among other things, (i) further information on the Supplemental Framework Agreement; (ii) recommendation of the Independent Board Committee; (iii) letter of advice from the independent financial adviser; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the SGM and a form of proxy, is unable to be despatched to the Shareholders within the timeframe required under the Listing Rules but will be despatched to the Shareholders as soon as practicable.

As effectiveness of the Supplemental Framework Agreement is subject to the fulfilment (or waiver, as the case may be) of a number of conditions and follow up work done to be completed (which are detailed in this announcement), the Amendments may or may not take effect. Shareholders and potential investors should exercise caution when dealing in the Shares.

The Company confirms that, based on Cambodia legal advice obtained by the Company, the New Gaming Table Business is lawful in Cambodia. The Company has also been advised that the New Gaming Table Business and the transactions contemplated thereunder conducted in Cambodia do not contravene the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong). Shareholders and potential investors of the Company should note that, 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 proposed New Gaming Table Business fails to comply with applicable laws in Cambodia and/or contravenes the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Amendments”	amendments of certain terms of the Assignment Agreement pursuant to the Supplemental Framework Agreement
“Assignment”	the assignment of the Gaming Table Business Rights by Lion King to VMG at the Consideration
“Assignment Agreement”	the agreement in respect of Gaming Table Business Rights dated 28 October 2019 and entered into among Lion King, VMG and the Guarantor for the assignment of the Gaming Table Business Rights
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	British Virgin Islands
“Cambodia”	The Kingdom of Cambodia
“Casino”	Century Entertainment which was operated within an area of approximately 8,100 square meters situate on the 1st & 2nd floors of the Sunshine Bay Hotel at Village 1, Commune No. 3, Mittaphea Town, Sihanoukville Municipal, Cambodia
“Casino Lease and Operation Agreement”	the Casino lease and operation agreement dated 22 September 2018 (supplemented on 23 September 2018) and made between Hein Li Properties Co. Ltd., Sunshine Bay Hotel Management Co. and Lion King in respect of the Casino (as varied, amended or supplemented from time to time)
“Company”	Century Entertainment International Holdings Limited (formerly known as Amax 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)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	HK\$120 million, being the consideration paid for the Gaming Table Business Rights

“COVID-19 Epidemic”	the outbreak of the novel coronavirus epidemic since late 2019
“CSG”	Cheung Shing Global Travel Entertainment Limited, the parent company of Lion King and wholly-owned by Mr. Ng
“Directors”	directors of the Company
“Gaming Tables”	the original total number of 4 gaming tables located at the mass market gaming area in the Casino (being table nos. MM-001 to MM-004) previously approved by the Independent Shareholders at the special general meeting of the Company held on 31 March 2020
“Gaming Table Business”	the operation and management of the Gaming Tables in the Casino previously approved by the Independent Shareholders at the special general meeting of the Company held on 31 March 2020
“Gaming Table Business Rights”	the rights to operate and manage the Gaming Tables for a period of five (5) years commencing from 31 March 2020
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, namely Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia, to advise the Independent Shareholders on the Supplemental Framework Agreement
“Independent Shareholders”	Shareholders other than Mr. Ng Man Sun, Ms. Ng Wai Yee, together with their respective associates who are required by the Listing Rules to abstain from voting on the resolutions approving the Assignment Agreement and the transactions contemplated respectively thereunder
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Independent Valuer”	International Valuation Limited

“Lease LOI”	the letter of intent dated 6 July 2020 entered into between Lion King and the Potential New Landlord on the proposed lease of the Potential New Location by Lion King with the Potential New Landlord to continue the operation of the Casino
“Lion King” or “Assignor”	Lion King Entertainment Company Limited, a company wholly-owned by Mr. Ng Man Sun, who is an executive Director, Chairman, Chief Executive Officer of the Company and a substantial Shareholder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2021 or such later date as all parties to the Assignment Agreement may agree in writing
“Mr. Ng” or “Guarantor”	Mr. Ng Man Sun
“New Casino”	the casino to be operated within an area of 10,500 square meters situated at Building 89, Long Bay, Say Phuthong Boulevard, Dara Sakor, Koh Kong Province, Cambodia pursuant to the New Casino Lease and Operation Agreement
“New Casino Lease and Operation Agreement”	the casino lease and operation agreement dated 30 September 2020 entered into between CSG and LongBay Entertainment Co., Ltd.
“New Gaming Tables”	Such number of baccarat gaming tables at the mass market area of New Casino that the aggregate market value of these new Gaming Table Business Rights be no less than HK\$126,000,000, being the appraised value of the Gaming Table Business Rights previously approved by the Independent Shareholders at the special general meeting of the Company held on 31 March 2020
“New Gaming Table Business”	The operation and management of the New Gaming Tables for a period of five (5) years from the Operation date
“New Gaming Table Business Rights”	All rights and entitlement to the net profit (after tax) of the New Gaming Table Business
“New Landlord”	LongBay Entertainment Co., Ltd.
“New Location”	Building 89, Long Bay, Say Phuthong Boulevard, Dara Sakor, Koh Kong Province, Cambodia
“Operation Date”	the date when the mass market of the New Casino re-open

“Potential New Landlord”	Han Guan Co., Ltd., an Independent Third Party
“Potential New Location”	Ming Guan Hotel situated at Street 115, Preah Sihanouk, Sihanoukville Municipal, Cambodia
“Promissory Note”	a 30-months zero coupon promissory note in the principal amount of HK\$62,000,000 issued by the Company to Mr. Ng on 30 March 2020 for partial settlement of the consideration for the assignment of the Gaming Table Business Rights
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Supplemental Framework Agreement and the transactions contemplated thereunder
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.20 each in the capital of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Framework Agreement”	the supplemental agreement dated 5 February 2021 entered into among Lion King, VMG and the Guarantor for the purpose to amend certain terms and conditions of the Assignment Agreement
“Temporary Closure Demand”	The order by the Cambodian governmental authorities to temporarily closed down all casinos in Cambodia with effect from 23:59 on 1 April 2020 to prevent the spread of the COVID-19 Epidemic
“VMG” or “Assignee”	Victor Mind Global Limited, a company incorporated in BVI with limited liability and is a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 5 February 2021

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