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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)

**CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED EXTENSION OF
THE MATURITY DATE OF THE CONVERTIBLE BOND**

Financial Adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

 裕韜資本有限公司
Euto Capital Partners Limited

EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND

On 30 September 2022 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Amendment Agreement to extend the Original Maturity Date (i.e. 30 September 2022) for 3 years to the Extended CB Maturity Date (i.e. 30 September 2025), subject to the fulfilment of the Conditions Precedent to the Amendment Agreement.

LISTING RULES IMPLICATION

According to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for its approval for the Extension pursuant to the requirements under the Listing Rules.

The Extension is considered as a material change to the terms and conditions of the Convertible Bond. It is therefore regarded as new arrangement for the Company to issue convertible debt securities to the Subscriber and hence Shareholders' approval is required.

The Company will seek the grant of a specific mandate from the Independent Shareholders at the SGM to be convened to authorise the Board to allot and issue the Conversion Shares upon exercise of the Conversion Rights attached to the Convertible Bond as amended and supplemented by the Amendment Agreement.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon exercise of the Conversion Rights attached to the Convertible Bond as amended and supplemented by the Amendment Agreement.

As at the date of this announcement, the Subscriber and his close associates in aggregate holds 358,721,959 Shares, representing approximately 27.97% of the existing number of issued Shares of the Company and hence the Subscriber is a substantial Shareholder and a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the Amendment Agreement and the issue of the Conversion Shares pursuant to the Specific Mandate constitute a connected transaction of the Company, and is subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Amendment Agreement, the Extension and the grant of the Specific Mandate, are subject to, among other things, the approval of Independent Shareholders at the SGM. The Independent Board Committee (comprising all independent non-executive Directors) has been formed pursuant to the Listing Rules to advise the Independent Shareholders as to the fairness and reasonableness of the entering into of the Amendment Agreement, the Extension and the grant of the Specific Mandate. Euto Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Amendment Agreement, the Extension and the grant of the Specific Mandate. The Subscriber and its associates shall abstain from voting in respect of the resolutions. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM in respect of the Amendment Agreement, the Extension and the grant of the Specific Mandate.

A circular containing, among other things, (i) details of the Amendment Agreement and the Specific Mandate; (ii) a recommendation from the Independent Board Committee in relation to the Amendment Agreement, the Extension and the grant of the Specific Mandate; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Amendment Agreement, the Extension and the grant of the Specific Mandate; and (iv) a notice of the SGM, is expected to be despatched to the Shareholders on or before 21 October 2022 in accordance with the Listing Rules.

EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND

Background

Reference is made to the announcements of the Company dated 30 December 2020, 21 January 2021 and 31 March 2021 and the circular of the Company dated 5 February 2021 in relation to, among others, the subscription of the Convertible Bond by the Subscriber.

As at the date of this announcement, the entire principal amount of the Convertible Bond remains outstanding and will mature on 30 September 2022 pursuant to the existing terms and conditions of the Convertible Bond.

Amendment Agreement

On 30 September 2022 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Amendment Agreement to extend the Original Maturity Date (i.e. 30 September 2022) for 3 years to the Extended CB Maturity Date (i.e. 30 September 2025), subject to the fulfilment of the Conditions Precedent to the Amendment Agreement.

Save for the Extension, all other terms of the Convertible Bond shall remain unchanged and in full force.

As it is anticipated that the Convertible Bond will mature prior to the Amendment Agreement becoming effective, the Subscriber has undertaken under the Amendment Agreement that he will not (i) sell, dispose, pledge, or otherwise transfer the Convertible Bond; (ii) exercise the Conversion Rights attached to the Convertible Bond; or (iii) require the Company to redeem the whole or part of the Convertible Bond, during the period from the Original Maturity Date up to the date of the SGM.

As at the date of this announcement, the Subscriber holds approximately 27.97% of the total issued share capital of the Company and therefore is a substantial Shareholder of the Company. Accordingly, the Subscriber is a connected person of the Company under Chapter 14A of the Listing Rules.

Conditions Precedent

The Amendment Agreement will only become effective upon all of the following conditions having been fulfilled:

- (i) the Stock Exchange having approved the Extension as contemplated by the Amendment Agreement;
- (ii) the Stock Exchange granting its approval for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon exercise of the Conversion Rights attached to the Convertible Bond as amended and supplemented by the Amendment Agreement; and
- (iii) the approval by the Independent Shareholders of the Amendment Agreement, the Extension and the grant of the Specific Mandate at the SGM to be held and convened.

None of the Conditions Precedent are waivable by the Company or the Subscriber.

If any of the Conditions Precedent have not been fulfilled by 30 November 2022 or such later time and date as the Subscriber and the Company may agree in writing, the Amendment Agreement shall cease and terminate and neither the Company nor the Subscriber shall have any claim against the other save for any antecedent breaches of the terms thereof.

As at the date of this announcement, none of the Conditions Precedent have been fulfilled.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon exercise of the Conversion Rights attached to the Convertible Bond as amended and supplemented by the Amendment Agreement. No listing of the Convertible Bond will be sought on the Stock Exchange or any other stock exchanges.

Principal terms of the Convertible Bond immediately after the Extension

Save as revised by the Extension, all the terms of the Convertible Bond remain unchanged and in full force. The principal terms of the Convertible Bond as disclosed in the circular of the Company dated 5 February 2021, which are the terms of the Convertible Bond are reproduced in the below (with the only amendment being in relation to the Extension):

Principal amount	:	HK\$50,000,000
Maturity	:	30 September 2025
Interest rate	:	the Convertible Bond will be interest free

Denomination for conversion : With a minimum aggregate amount of HK\$1,000,000 and authorised denominations(s) integral multiples thereof save that if at any time the aggregate outstanding principal amount held by a holder of the Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be converted.

Conversion rights : A holder of the Convertible Bond shall have the right to convert in whole or in part (in an integral multiple of HK\$1,000,000) of the Convertible Bond into Conversion Shares at the Conversion Price (subject to adjustments) on any Business Day from the date of issue of the Convertible Bond and up to the maturity date of the Convertible Bond, subject to the restrictions on the exercise of the Conversion Rights as set out below.

Conversion price : HK\$0.50 per Conversion Share, subject to adjustments.

The Conversion Price shall be adjusted as provided in the Convertible Bond instrument in each of the following cases:

- (i) an alteration of the number of the Shares by reason of any consolidation or subdivision;

If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A is the revised nominal amount; and

B is the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the date on which the consolidation or sub-division becomes effective.

- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);

If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or, if any, capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{D}$$

where:

C is the aggregate nominal amount of the issued Shares immediately before such issue; and

D is the aggregate nominal amount of the issued Shares immediately after such issue.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

- (iii) a capital distribution (as defined in the Convertible Bond instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such;

If and whenever the Company shall make any capital distribution to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{E-F}{B}$$

where:

E is the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) next preceding the date of the capital distribution or, as the case may be, of the grant; and

F is the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by a financial adviser or auditors of the Company for the time being, of the portion of the capital distribution or of such rights which is attributable to one Share;

Provided that:

- (a) if in the opinion of the relevant financial adviser or auditors of the Company (as the case may be), the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine, and in such event the above formula shall be construed as if F meant the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and
- (b) the provisions as aforesaid shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the capital distribution or grant.

- (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares;

If and whenever the Company shall after the date hereof offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options, warrants or other rights to subscribe for or purchase any Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{G + (H \times I) / J}{G + H}$$

where:

G is the number of Shares in issue immediately before the date of such announcement;

H is the aggregate number of Shares so offered for subscription;

I is the amount (if any) payable for the rights, options or warrants or other rights to subscribe for each new Share, plus the subscription price payable for each new Share; and

J is the closing price per Share on the last trading day on which the Shares are traded on cum-rights basis.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer.

- (v) an issue being made by the Company of securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share (as defined below) initially receivable for such securities is less than 80% of the market price;
 - (a) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share (as defined below) initially receivable for such securities is less than 80% of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total effective consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

- (b) If and whenever the rights of conversion or exchange or subscription attached to any such securities as foreshaid are modified so that the total effective consideration per Share initially receivable for such securities shall be less than 80% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this sub-paragraph (v), the “total effective consideration” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the effective consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (vi) an issue being made by the Company of Shares at a price which is less than 80% of the market price; and

If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.

- (vii) an issue being made by the Company of Shares for the acquisition of asset at a total effective consideration per Share (as defined below) less than 80% of the market price.

If and whenever the Company shall issue Shares for the acquisition of asset at a total effective consideration per Share (as defined below) which is less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the total effective consideration per Share and the denominator shall be such market price. Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the issue price for such Shares.

For the purpose of this sub-paragraph (vii) “total effective consideration” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “total effective consideration per Share” shall be the total effective consideration divided by the number of Shares issued as aforesaid.

- Transferability** : Freely transferrable, in whole or any part of the outstanding principal amount, to any person, subject to the terms of the Convertible Bond (as the case may be), the Listing Rules and all applicable laws and regulations. If the Convertible Bond is transferred to a “connected person” (as defined in the Listing Rules) of the Company or its associate(s) (as defined in the Listing Rules), the Company shall immediately notify the Stock Exchange and all such transfer shall be made subject to having obtained the written consent from the Company and prior approval of the Stock Exchange (if necessary) and full compliance with the Listing Rules. The Convertible Bond instrument which governs the terms and conditions of the Convertible Bond shall be binding on the Company and any holders of the Convertible Bond.
- Listing** : No application will be made for the listing of the Convertible Bond on the Stock Exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights.
- Ranking** : The Conversion Shares to be issued upon the exercise of the Conversion Rights will be credited as fully paid and will rank pari passu in all respects among themselves and with other existing Shares outstanding at the date of issue of the Conversion Shares and be entitled to all dividends and other distributions the record date for which falls on a date on or after the date of their issue.
- Voting** : A holder of the Convertible Bond will not be entitled to receive notices of, attend or vote at any Shareholders’ meetings of the Company by reason only of it being a holder of the Convertible Bond.
- Redemption and repurchase** : The Company shall redeem at 100% of the outstanding principal amount of the Convertible Bond (as the case may be) on the maturity date.

The Company shall have the right to redeem in whole or any part(s) of the principal amount of the Convertible Bond, with an aggregate amount of HK\$1,000,000 and authorised denomination(s) integral multiples thereof (if at any time the aggregate outstanding principal amount held by a holder of the Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be redeemed), at any time on any business day prior to the maturity date by giving prior notice of not less than thirty (30) days in writing to the holder of the Convertible Bond. The Convertible Bond(s) or any part thereof so redeemed shall forthwith be cancelled by the Company.

- Status** : The obligations of the Company arising under the Convertible Bond constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable laws.
- Restriction on the exercise of the Conversion Rights** : The holder(s) of the Convertible Bond agree and undertake to the Company that it shall not exercise any of the Conversion Rights if (i) the holder(s) of the Convertible Bond and parties acting in concert with it/them will directly or indirectly control or be interested in such percentage of voting rights of the Company which the holder(s) would be obliged to make a general offer under the Takeovers Code unless (a) a whitewash waiver is obtained in accordance with the requirement of the Takeovers Code; or (b) a general offer is made in accordance with the requirement of the Takeovers Code; (ii) the Company will be unable to meet the public float requirements under the Listing Rules; or (iii) the holder(s) of the Convertible Bond or the Company will as a result of the issue of the relevant Conversion Shares be in breach of the Listing Rules, the Takeovers Code or applicable laws or regulations.

Conversion Shares

As at the date of this announcement:

- (i) no Conversion Shares have been allotted and issued under the Convertible Bond;
- (ii) the Conversion Price (which is subject to adjustments) remains at HK\$0.50 per Conversion Share; and
- (iii) the Convertible Bond is convertible into a maximum of 100,000,000 Shares at the initial Conversion Price of HK\$0.50 per Conversion Share (subject to adjustments) and assuming that there is no change to the share capital of the Company save for the allotment and issue of the Conversion Shares under the Convertible Bond, the Conversion Shares represent:
 - (a) approximately 78.0% of the total existing issued share capital of the Company as at the date of this announcement; and
 - (b) approximately 43.8% of the total issued share capital of the Company as enlarged by the issue of the 100,000,000 Conversion Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has outstanding share options entitling the holders thereof to subscribe for a total of 4,216,550 new Shares.

Saved as the outstanding share options mentioned above, there are no other outstanding options, warrants, derivatives, or other securities which carry rights to subscribe for or be converted into Shares, as at the date of this announcement.

The table below illustrates the shareholding structure of the Company as at the date of this announcement and immediately upon full conversion of the Convertible Bond of HK\$50,000,000 at the Conversion Price of HK\$0.50 per Conversion Share (assuming there is no other change in the issued share capital and shareholding structure of the Company from the date of this announcement and up to the date of issuance of the Conversion Shares):

	As at the date of this announcement		Immediately after issue and full conversion of Convertible Bond into Conversion Shares <i>(Note 2)</i>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Ng Man Sun <i>(Note 1)</i>	35,872,196	27.97	135,872,196	59.53
Ms. Cheng Wai Man	9,621,212	7.50	9,621,212	4.22
Mr. Huang Wei Qiang	8,690,000	6.78	8,690,000	3.80
Mr. Wong Kam Wah	8,254,212	6.44	8,254,212	3.62
Public Shareholders	65,809,941	51.31	65,809,941	28.83
Total	128,247,561	100.00	228,247,561	100.00

Notes:

1. Mr. Ng Man Sun is a substantial Shareholder, executive Director, the Chairman and Chief Executive Officer of the Company.
2. For illustrative purpose only. The conversion of the Convertible Bond shall subject to the “Restriction on the exercise of the Conversion Rights” under the terms of the Convertible Bond.

FUND RAISING ACTIVITY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any fund raising activities in the 12 months prior to the date of this announcement.

REASONS FOR AND BENEFITS OF THE PROPOSED EXTENSION

The Original Maturity Date of the Convertible Bond is 30 September 2022 and the bondholder of the Convertible Bond has a right to redeem or convert the Convertible Bond on the Original Maturity Date. Given (i) the out-of-money situation where the Conversion Price is HK\$0.50 per Conversion Share, representing (a) a premium of approximately 96.08% over the closing price of HK\$0.255 per Share on the date of the Amendment Agreement; and (b) a premium of approximately 92.31% over the average closing price of HK\$0.26 per Share of the last five consecutive trading days up to and including the date of the Amendment Agreement; and (ii) the net liabilities position of the Group as at 31 March 2022, the Subscriber is unlikely to convert all or part of the Convertible Bond on or before the Original Maturity Date and therefore require the Company to redeem the Convertible Bond in full if there would be no Extension.

With reference to the annual report of the Company for the year ended 31 March 2022, the Group had revenue of only approximately HK\$200,000 and loss attributable to the Shareholders of approximately HK\$3.7 million for the year ended 31 March 2022. The relatively small amount of revenue was mainly due to the low demand in the Group's augmented reality and virtual reality entertainment products and services and the further delay in the gaming table operation in Cambodia as a result of the COVID-19 pandemic. As at 31 March 2022, the Group recorded net current liabilities of approximately HK\$65.1 million, net liabilities of approximately HK\$26.7 million and current other borrowings of approximately HK\$100.2 million, while the Group had cash and cash equivalents of approximately HK\$3.8 million. As such, the Group's liquidity is under severe pressure and the Company is not able to fully redeem the Convertible Bond without raising additional funds from borrowings or other fund-raising activities, and therefore will pose an adverse impact on the cashflow and financial stability of the Group. To avoid the Group defaulting in its redemption obligations of the Convertible Bond on the Original Maturity Date, and taking into account the net current liabilities position of the Group and working capital requirements for the business operations of the Group, the Extension will enable the Group to postpone a substantial cash outflow and allow it to have reasonable time to improve its financial performance and net current liabilities position so order to satisfy the redemption obligations under the terms of the Convertible Bond.

The Extension will also allow the Group to have more financial flexibility in the deployment of its working capital for its business operations and development. In light of the zero coupon rate of the Convertible Bond, the Directors consider it is in the interests of the Company and the Independent Shareholders as a whole to utilise its cash resources for business development and invest in other business opportunities should they arise. Further, as the Group does not have sufficient cash to for the full redemption of the Convertible Bond, the Group would be required to raise additional funds from bank borrowings or carry out other fund-raising activities for the Group to fulfill its redemption obligations. Given the financial performance and position of the Group, the Directors consider that it may not be practicable for the Group to secure further financing from banks without incurring relatively high financing cost, and result in additional interest burdens to the Group.

In view of the above, the Board (excluding the independent non-executive Directors whose opinions will be provided after taking into consideration the advice from the Independent Financial Adviser) considers that, although the Amendment Agreement and the transactions contemplated thereunder are not conducted in the ordinary and usual course of business of the Group, given the nature of and the reasons for the transaction, the Amendment Agreement, the Extension and the grant of the Specific Mandate are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP

The Company is incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in (i) operating the gaming tables in Cambodia; and (ii) development of innovative intellectual properties and technological solutions in connection with augmented reality or virtual reality applications to clients.

INFORMATION OF THE SUBSCRIBER

The Subscriber, Mr. Ng Man Sun, is a substantial Shareholder, executive Director, the Chairman and Chief Executive Officer of the Company.

LISTING RULES IMPLICATIONS

According to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for its approval for the Extension pursuant to the requirements under the Listing Rules.

The Extension is considered as a material change to the terms and conditions of the Convertible Bond. It is therefore regarded as new arrangement for the Company to issue convertible debt securities to the Subscriber and hence Shareholders' approval is required.

The Company will seek the grant of a specific mandate from the Independent Shareholders at the SGM to be convened to authorise the Board to allot and issue the Conversion Shares upon exercise of the Conversion Rights attached to the Convertible Bond as amended and supplemented by the Amendment Agreement.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon exercise of the Conversion Rights attached to the Convertible Bond as amended and supplemented by the Amendment Agreement.

As at the date of this announcement, the Subscriber and his close associates in aggregate holds 358,721,959 Shares, representing approximately 27.97% of the existing number of issued Shares of the Company and hence the Subscriber is a substantial Shareholder and a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the Amendment Agreement and the issue of the Conversion Shares pursuant to the Specific Mandate constitute a connected transaction of the Company, and is subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Amendment Agreement, the Extension and the grant of the Specific Mandate, are subject to, among other things, the approval of Independent Shareholders at the SGM. The Independent Board Committee (comprising all independent non-executive Directors) has been formed pursuant to the Listing Rules to advise the Independent Shareholders as to the fairness and reasonableness of the entering into of the Amendment Agreement, the Extension and the grant of the Specific Mandate. Euto Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Amendment Agreement, the Extension and the grant of the Specific Mandate. The Subscriber and his associates shall abstain from voting in respect of the resolution. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM in respect of the Amendment Agreement, the Extension and the grant of the Specific Mandate.

A circular containing, among other things, (i) details of the Amendment Agreement and the Specific Mandate; (ii) a recommendation from the Independent Board Committee in relation to the Amendment Agreement, the Extension and the grant of the Specific Mandate; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Amendment Agreement, the Extension and the grant of the Specific Mandate; and (iv) a notice of the SGM, is expected to be despatched to the Shareholders on or before 21 October 2022 in accordance with the Listing Rules.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Amendment Agreement”	the amendment agreement dated 30 September 2022 entered into between the Company and the Subscriber in relation to the, among others, the Extension
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, any public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“close associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Company”	Century Entertainment International Holdings Limited, an exempted company incorporated in Bermuda with limited liability whose issued Shares are listed on the Stock Exchange (stock code: 959)
“Conditions Precedent”	the conditions precedent set out in the paragraph headed “Conditions Precedent” in this announcement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Conversion Price”	the conversion price of HK\$0.50 per Conversion Share (subject to adjustment as set out in the Convertible Bond instrument, from time to time, if any)
“Conversion Right(s)”	the right(s) attaching to the Convertible Bond to convert in whole or in part (in an integral multiple of HK\$1,000,000) the respective outstanding principal amounts into the Conversion Share(s)

“Conversion Share(s)”	the Share(s) to be issued by the Company as a result of the exercise of the Conversion Rights attaching to the Convertible Bond
“Convertible Bond”	the zero-coupon convertible bond due 30 September 2022 in the principal amount of HK\$50,000,000 issued by the Company to the Subscriber
“Director(s)”	the director(s) of the Company
“Extended CB Maturity Date”	30 September 2025
“Extension”	the proposed extension of the Original Maturity Date from 30 September 2022 to the Extended CB Maturity Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia, established to advise and make recommendation to the Independent Shareholders in relation to the Amendment Agreement, the Extension and the grant of the Specific Mandate
“Independent Financial Adviser” or “Euto Capital”	Euto Capital Partners Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Amendment Agreement, the Extension and the grant of the Specific Mandate
“Independent Shareholders”	Shareholders, other than (i) the Subscriber and his close associates; and (ii) any Shareholders who are involved in or interested in the Extension contemplated under the Amendment Agreement, who are required under the Listing Rules to abstain from voting in respect of the resolution(s) relating to the Amendment Agreement, the Extension and the grant of the Specific Mandate at the SGM

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the maturity date of the Convertible Bond
“Original Maturity Date”	18 months from the date of issue of the Convertible Bond (i.e. 30 September 2022)
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Amendment Agreement, the Extension and the grant of the Specific Mandate (or any adjournment thereof)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Specific Mandate”	the specific mandate to be granted to the Directors at the SGM for the allotment and issue of the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bond as amended and supplemented by the Amendment Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Ng Man Sun, a substantial Shareholder, executive Director, the Chairman and Chief Executive Officer of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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

Hong Kong, 30 September 2022

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