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## **Century Group International Holdings Limited**

### **世紀集團國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2113)**

#### **SUPPLEMENTAL ANNOUNCEMENT**

#### **IN RELATION TO ANNOUNCEMENT OF ANNUAL RESULTS**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

Reference is made to the announcement of Century Group International Holdings Limited (the “**Company**”) dated 29 June 2023 in respect of the results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2023 (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement. The Company would like to provide the updated information in relation to note 3 of the financial statements contained in the Announcement.

The Company would like to clarify that note 3 of the financial statements contained in the Announcement should be read as follows:

#### **“3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

##### **3.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.2 Going concern assessment

The Group incurred a net loss of approximately HK\$22,544,000 during the year ended 31 March 2023 and, as of 31 March 2023, the Group had net current liabilities and net liabilities of HK\$1,692,000 and HK\$901,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- i. As at 31 March 2023, the Group owed approximately HK\$12.4 million to a director of a subsidiary. The director of a subsidiary has agreed not to request for repayment of the amount owed by the Group unless the Group is in a financial affordable position or in the reasonable opinion after due and careful consideration the Group is likely to have a material adverse change on the business, operations, property or condition.
- ii. The loan facility has been renewed with an amount of HK\$18,000,000 and extended for 18 months effective from 31 March 2023.
- iii. A substantial portion of the net loss for the year ended 31 March 2023 is caused by the delay of a major project due to the adverse effect of Coronavirus 2019 pandemic (the "Pandemic") resulting a loss of approximately HK\$27.3 million incurred in the project for the year to the Group. The directors have reviewed the Group's cash flow projections in which the level of the demand of the Group's services and the potential implications of COVID-19 have been considered. The projection covers a period of 12 months from 31 March 2023. Taking into account that the lifting of COVID-19 restrictions, and the aforesaid loss making project is expected to be substantially completed in June 2023, the directors expect the construction segment to generate profit and cash inflow to the Group in 2024.

In view of the above, the directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next 12 months from the end of the reporting period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the directors will be able to achieve its plan and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.”

Apart from the above, the board of directors of the Company (the “**Board**”) confirms that the content of the Announcement remains correct and unchanged.

By order of the Board  
**Century Group International Holdings Limited**  
**Wang Feng**  
Chairman

Hong Kong, 6 July 2023

*As at the date of this announcement, the Board comprises Mr. Wang Feng and Mr. Man Wai Lun as executive Directors and Mr. Law, Michael Ka Ming, Mr. Chung Man Lai and Ms. Lam Yuen Man Maria as independent non-executive Directors.*